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STATE OF MARYLAND

Comprehensive Annual Financial Report for the Year Ended June 30, 1982

Louis L. Goldstein
State Comptroller
Annapolis, Maryland

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STATE OF MARYLAND

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the year ended June 30, 1982

PREPARED

by the State Comptroller's Office

Louis L. Goldstein

Comptroller of the Treasury of Maryland

STATE OF MARYLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

STATE OF MARYLAND
SELECTED STATE OFFICIALS

EXECUTIVE

Harry Hughes
Governor

Samuel W. Bogley, III
Lieutenant Governor

Louis L. Goldstein
Comptroller

Stephen H. Sachs
Attorney General

William S. James
Treasurer

JUDICIAL

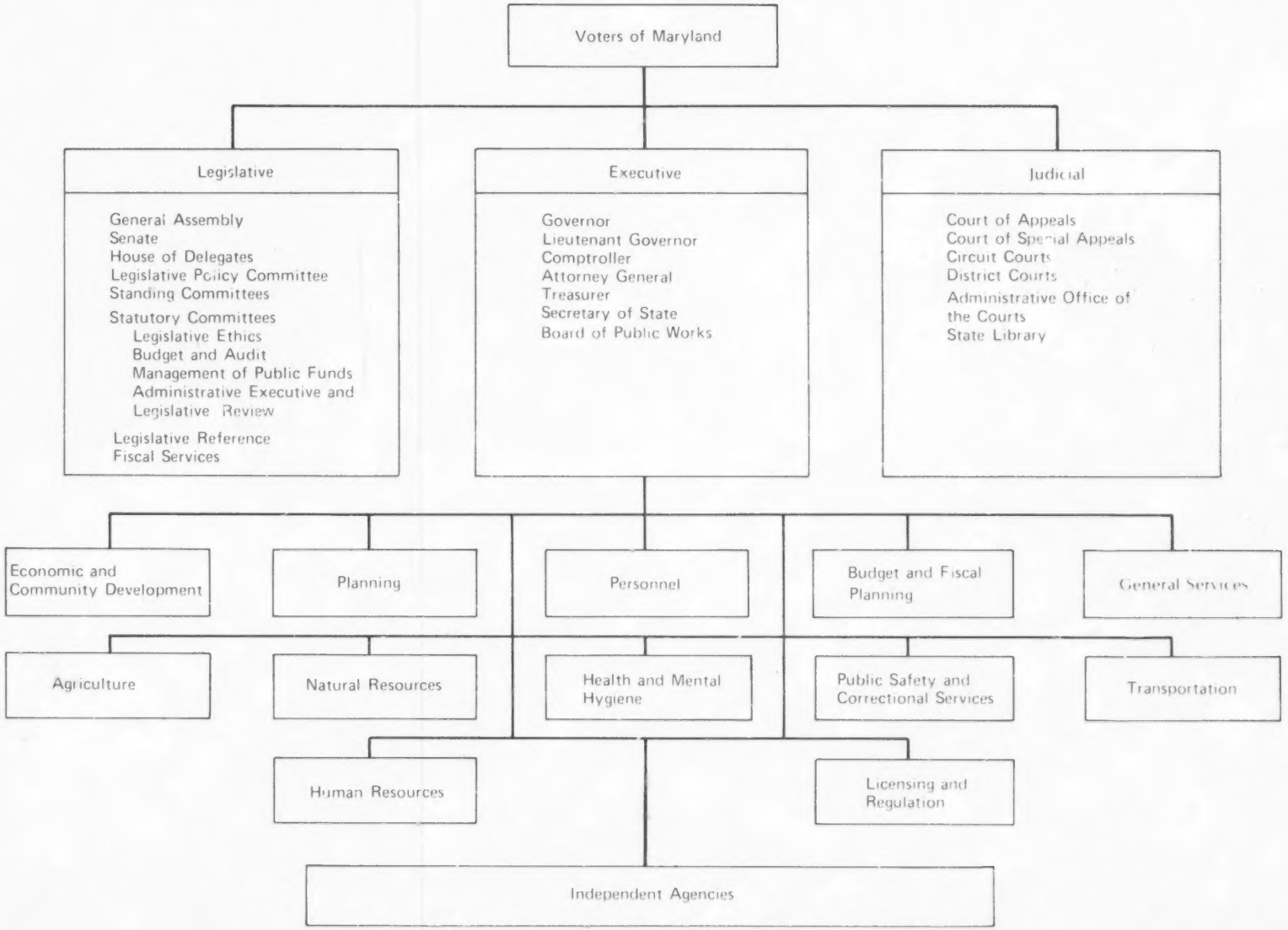
Robert C. Murphy
Chief Judge
Court of Appeals of Maryland

LEGISLATIVE

James Clark, Jr.
President of the Senate
(47 Senators)

Benjamin L. Cardin
Speaker of the House of Delegates
(141 Delegates)

Maryland State Government



Reprinted from the Maryland Manual

Certificate of Conformance in Financial Reporting

Presented to

State of Maryland

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1981

A Certificate of Conformance in Financial Reporting is presented by the Municipal Finance Officers Association of the United States and Canada to governmental units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) are judged to substantially conform to program standards.

Jim C. Kirkland
President

Dennis O'Donnell
Executive Director

Louis L. Goldstein
Maryland State Comptroller

LOUIS L. GOLDSTEIN
COMPTROLLER OF THE TREASURY
STATE TREASURY BUILDING
P. O. BOX 466
ANNAPOLIS, MARYLAND 21404
269-3801

December 1, 1982

Honorable Members of the General
Assembly and the Governor
State of Maryland

The Comprehensive Annual Financial Report of the State of Maryland, for the fiscal year ended June 30, 1982, is submitted herewith and includes financial statements of the State of Maryland as well as information required by Article 19, Section 9 of the annotated code. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Office of the Comptroller. I believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the State as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the State's financial affairs have been included.

Financial and Accounting System

The financial statements contained in this report have been prepared in accordance with generally accepted accounting principles and have been examined by the firm of Coopers & Lybrand, whose report thereon is included in this report.

Maryland maintains its accounts to conform to generally accepted accounting principles and also to comply with the legally mandated budget. The State recognizes the difficulties and complexities involved in maintaining dual systems, and it has formed a task force to guide the conversion of budgetary practices into conformity with generally accepted accounting practices.

During the most recent fiscal year, substantial strides were made toward eliminating differences in the application of the modified accrual basis for governmental fund types. Principal repayments due on notes receivable are now recognized according to generally accepted accounting principles as are property taxes receivable and alcoholic beverages taxes. Also, the amortization of premiums and discounts and the accrual of interest income on investments are now recorded as part of the budgetary system. Recognition of discrete receivables and payables remains to be incorporated into the budget.

The financial statements include the various departments, agencies and other organizational units governed by the General Assembly and/or constitutional officers of the State of Maryland. The following criteria was utilized to determine the entity for the State of Maryland: selection of governing authority, appointment of management, constitutional officers' ability to significantly influence operations and accountability for fiscal operations and scope of public service.

General Governmental Functions

Revenues of the general governmental functions (excluding capital projects) totaled $4,570,984,000 for the fiscal year ending June 30, 1982. This represents an increase of 2.1 percent over revenues for the fiscal year 1981. Income tax, the largest source of revenue, produced 31.7 percent of general governmental revenues compared to 30.5 percent last year. The revenues (amounts expressed in thousands) from various sources and the change from last year are shown in the following tabulation:

Revenue Source	Amount	Percent of Total	Increase (Decrease) Over 1981 Actual Amount	Percent
Income taxes	$1,452,355	31.7%	$ 88,446	6.5 %
Retail sales and use taxes	797,397	17.4	43,723	5.8
Motor vehicle taxes and fees	436,633	9.6	19,331	4.6
Other taxes	510,021	11.2	31,800	6.6
Other licenses and fees	49,426	1.1	10,963	28.5
Charges for services	193,157	4.2	18,171	10.4
Interest and other investment income	124,999	2.7	9,641	8.4
Other	80,872	1.8	(26,645)	(24.8)
Federal revenue	926,124	20.3	(99,724)	(9.7)
Total	$4,570,984	100.0%	$ 95,706	2.1 %

Of the total income tax revenue for fiscal year 1982, $1,322,762,000 was produced by the individual income tax and $129,593,000 by the corporate income tax, representing an increase of $97,768,000 and a decline of $9,322,000, respectively, over the prior year. The increase in individual income tax revenues of 8.0 percent over the prior year is attributable to population growth and a higher personal income level for the State's taxpayers. The decrease in the corporate income tax revenues of 6.7 percent from the prior year is attributable to the current recessionary times for businesses, as well as federal tax cuts which also affect the State's tax revenues.

Other revenues decreased $26,645,000 or 24.8 percent from 1981. This decrease is due in part to the reclassification of the Maryland Higher Education Loan Corporation from the General Fund to the Enterprise Funds and is also due to minor reclassifications of other revenue to other licenses and fees.

Federal revenues decreased $99,724,000 or 9.7 percent from the prior year. This decline reflected reductions in federal reimbursements for state transportation, human resources and other federal programs.

Changes in levels of expenditures (amounts expressed in thousands) for major functions from the previous year are shown in the following tabulation:

Function	Amount	Percent of Total	Increase (Decrease) Over 1981 Actual Amount	Percent
Current:				
General government	$ 205,972	4.5%	$ 8,063	4.1 %
Education	934,163	20.5	42,202	4.7
Human resources	465,299	10.2	(44,945)	(8.8)
Health and mental hygiene	896,743	19.7	36,457	4.2
Transportation	666,070	14.6	10,746	1.6
Public safety and judicial	286,223	6.3	15,844	5.9
Economic and community development	17,238	.4	(1,226)	(6.6)
Natural resources and recreation	53,974	1.2	(2,264)	4.0
Agriculture	16,662	.4	3,430	25.9
Personnel and retirement	334,725	7.4	833	.2
Intergovernmental	266,165	5.8	(46,460)	(14.9)
Debt service	411,313	9.0	95,445	30.2
Total	$4,554,547	100.0%	$118,125	2.7 %

Expenditures for human resources decreased $44,945,000 or 8.8 percent from 1981. This decrease reflected the federal government's budget cuts for welfare services.

Expenditures for agriculture increased $3,430,000 or 25.9 percent over 1981. The increase was primarily attributable to an acceleration in the agricultural land preservation program which was started in 1981.

Expenditures for intergovernmental functions decreased $46,460,000 or 14.9 percent from 1981. A decrease in capital spending for local transportation projects is reflected in this drop.

Debt service expenditures increased $95,445,000 or 30.2 percent over 1981. This increase was attributable to the payment of the $60,000,000 of Consolidated Transportation Bond Anticipation Notes by the Department of Transportation as well as to increased interest costs for general obligation bonds.

Operating transfers in of $208,341,000 increased $36,919,000 from the preceding year, and operating transfers out of $357,548,000 decreased $1,405,000 from the preceding year. The operating transfers in increase of 21.5 percent over the amount for 1981 was attributable to the increase in the Maryland State Lottery's ticket sales for the year. The State Lottery receipts included a onetime increase of $22,590,000 representing net receipts from the sale of instant lottery game tickets during 1982.

Unreserved fund balances in the major operating funds were maintained at adequate levels. Although General Fund revenues were greater than expenditures by $319,103,000, the General Fund unreserved fund balance for 1982 of $91,267,000 was down $54,757,000 from last year. This compares with a decrease of $96,032,000 from the previous year. The Special Revenue unreserved fund balance of $129,422,000 was down $25,121,000 from the preceding year because federal revenues decreased while overall expenditures increased slightly. The Debt Service unreserved fund balance of $402,282,000 increased $35,997,000 from the prior year. This increase, which is consistent with prior years, is occurring to meet future debt service requirements.

Debt Administration

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are considered to be useful indicators of the State's debt position to state management, citizens and investors. These data for fiscal years 1981 and 1982 were as follows:

	Amount (expressed in thousands)	Ratio of Debt to Assessed Value (46.8% of Present Market)	Ratio of Debt to Present Market Value	Debt Per Capita
General obligation bonds:				
1981	$2,204,055	4.72%	2.55%	$522.78
1982	$2,207,660	4.62%	2.16%	$517.87

Additionally, outstanding limited obligation bonds of the Department of Transportation amounted to $744,950,000 at June 30, 1982. Debt service on these bonds are provided principally by excise taxes levied by statute. Self-supporting revenue bonds outstanding at June 30, 1982 were $662,194,000. Other long-term obligations of $481,081,000 are pension liabilities which represent the excess of retirement costs over retirement expenditures since 1978 and are being funded on a long-term basis through annual contributions, principally from General Fund revenue.

In 1978, the Capital Debt Affordability Committee was created to study the State's debt structure and to recommend maximum limitations on annual debt authorizations. Although the recommendations of the Committee are not binding on the State's General Assembly, the amounts of annual general obligation bond authorizations have declined substantially since the formation of the Committee. For the fiscal year 1982, new general obligation bond authorizations amounted to $184,998,000.

The following tabulation shows the general obligation bonds issued during the past three fiscal years and the first six months of fiscal year 1983.

State of Maryland—General Obligation Bonds

Date of Issue	Amount	Average Life in Years	Effective Interest Rate	Interest Cost Per Borrowed Dollar
February 15, 1980	$117,310,000	9.7	6.19%	60.3¢
July 1, 1980	121,970,000	10.1	6.10	61.4
March 1, 1981	149,095,000	6.9	8.19	56.3
July 1, 1981	91,915,000	10.1	9.20	93.0
November 15, 1981	96,265,000	10.2	11.30	115.6
July 1, 1982	140,495,000	10.4	11.10	115.6
December 1, 1982	126,735,000	10.3	8.37	86.0

Maryland's general obligation bonds have been rated Aaa by Moody's Investors Service and AAA by Standard and Poor's for a number of years.

Cash Management

During the year, temporary surpluses of cash in general governmental funds were invested in repurchase agreements ranging from one to 181 days to maturity and in time deposits ranging from 180 to 365 days to maturity. For the fiscal year ended June 30, 1982 the State's cash resources for general governmental funds were invested as follows: in repurchase agreements, 47.9 percent; in United States' Governmental Securities, 31.3 percent; in United States' Government Agency Securities, 17.3 percent; and in Certificates of Deposits, 3.5 percent. The average yield on maturing investments during the year was 14.5 percent, and the amount of interest received was $124,999,000, which was $9,641,000 more than the previous year.

Capital Projects Fund

Proceeds of general obligation bond issues are accounted for in the Capital Projects Fund until projects are completed. Completed projects and uncompleted construction in progress at year end which are assets of the State are capitalized in the General Fixed Assets Account Group, the appropriate Enterprise Fund for self-supporting projects or the Higher Education

and University Hospital Fund. During fiscal year 1982, state projects costing $122,872,000 were completed. State grants for capital projects of local governments and other public organizations amounted to $109,878,000 in the fiscal year, a decrease of $43,757,000 from 1981 which is primarily attributable to a decline in school construction spending. The Capital Projects fund balance deficit of $1,121,000 at June 30, 1982 was funded by the bond sale on July 1, 1982.

Authorized but unissued general obligation bonds at June 30, 1982, totaled $799,133,000. Subsequent bond issues of $267,230,000 and cancellation of bond authorizations in the amount of $6,225,000 reduced the amount of authorized but unissued general obligation bonds to $525,678,000 after the bond issue of December 1, 1982.

General Fixed Assets

The general fixed assets of the State are those used in the performance of general governmental functions and exclude the fixed assets of the proprietary fund type, fiduciary fund types and Higher Education and University Hospital Fund. As of June 30, 1982, the general fixed assets of the State amounted to $2,242,602,000. This amount represents the actual or estimated cost of the assets. Depreciation of general fixed assets is not recognized in the State's accounting system. Infrastructure assets, consisting principally of highways, roads and bridges are not recorded in the general fixed assets.

Audits

The statutes of the State require an audit of every unit of State government, including the Comptroller of the Treasury's records, by the Legislative Auditor at least every two years. The Legislative Auditor is required to be and is a certified public accountant. The Legislative Auditor makes fiscal, compliance and performance audits of the various agencies and departments of the State and issues a separate report covering each of those audits. Although certain of those reports include presentations of detailed financial data and contain expressions of opinion thereon, the audits are usually not made for that purpose. The primary purpose of the reports is to present the Legislative Auditor's findings relative to the fiscal management of those agencies and departments.

Additionally, my office requires an examination of the State's combined financial statements by a firm of independent certified public accountants selected by an audit committee composed of members from the executive and legislative branches of State government. This requirement has been complied with, and the auditor's opinion has been included in this report.

Certificate of Conformance

The Municipal Finance Officers Association of the United States and Canada (MFOA) awarded a Certificate of Conformance in Financial Reporting to the State of Maryland for its comprehensive annual financial report for the fiscal year ended June 30, 1981.

In order to be awarded a Certificate of Conformance, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Conformance is valid for a period of one year only. We believe our current comprehensive annual financial report continues to conform to Certificate of Conformance Program requirements, and we are submitting it to the MFOA to determine its eligibility for another certificate.

Outlook

Revenue prospects for fiscal year 1983 are tempered by the current recession affecting the United States economy and by the pass-through of revenue reduction measures embodied in the Economic Recovery Tax Act of 1981. The Tax Equity and Fiscal Responsibility Act of 1982 is expected to impact the State's revenues only minimally. Because of these factors, General Fund revenues for fiscal year 1983 are expected to grow at a slightly slower rate than the growth achieved in fiscal year 1982.

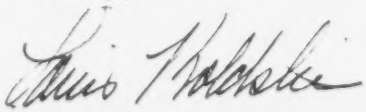
Revenues of the Transportation Trust Fund were augmented during fiscal year 1982 by legislation which raised the motor fuels tax from 9¢ to 11¢ per gallon. This increase, coupled with an upturn in receipts from the motor vehicle titling tax, will allow future enhancements to State transportation programs during fiscal years 1983 and 1984.

New bond authorizations to support the 1983 capital budget amounted to $184,998,000. Maryland should again achieve relatively favorable interest rates on bond sales because of its financial disclosure and reporting practices, independent audit and generally strong financial position.

In the past, Maryland's diversified economic base has provided a moderating influence in times of national economic downturns. This stabilizing factor, together with Maryland's demonstrated leadership in fiscal responsibility, will permit the State to continue to meet the needs of its citizens and preserve its strong financial condition.

I will be pleased to furnish additional information on the State's finances upon request.

Cordially yours,



Louis L. Goldstein
Comptroller of the Treasury
of Maryland

FINANCIAL SECTION

COOPERS & LYBRAND

CERTIFIED PUBLIC ACCOUNTANTS

The Honorable Louis L. Goldstein
Comptroller of the Treasury of Maryland

We have examined the combined financial statements of the State of Maryland as of and for the year ended June 30, 1982, as listed in the Table of Contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not examine the financial statements of one loan insurance program and one loan program of the Maryland Department of Economic and Community Development, Maryland Food Center Authority, Maryland Transportation Authority, Maryland State Lottery, Maryland Environmental Service, and Maryland Higher Education Loan Corporation, which statements reflect total assets, revenues and expenses constituting 91 percent, 95 percent and 93 percent, respectively, of the related combined totals for Enterprise Funds. These statements were examined by other auditors whose reports thereon were furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for the above mentioned units, is based solely upon the reports of other auditors.

In our opinion, based upon our examination and the reports of other auditors, the combined financial statements referred to above present fairly the financial position of the State of Maryland as of June 30, 1982 and the results of its operations and the changes in financial position of its Enterprise Funds, Nonexpendable Trust Fund and Pension Trust Fund for the year then ended, in conformity with generally accepted accounting principles which have been applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The combining financial statements and schedules listed in the Table of Contents are presented for purposes of additional analysis and to meet legal reporting requirements and are not a required part of the combined financial statements of the State of Maryland. Except for the Schedules of Estimated Revenues and General, Special and Federal Fund Appropriations—Budgetary Basis (pages 65 and 66), the information has been subjected to the auditing procedures applied in the examination of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

The other data included in this report have not been audited by us and, accordingly, we express no opinion on such data.

Coopers & Lybrand

2100 Mercantile Bank &
Trust Building
Baltimore, Maryland 21201
November 12, 1982

COMBINED FINANCIAL STATEMENTS AND SCHEDULES

STATE OF MARYLAND
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 1982
(Expressed in Thousands)

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Higher Education and University Hospital	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Debt		
Assets:										
Cash and short term investments	$ 11,010	$129,702	$ 42,854	$13,596	$ 286,922	$ 102,938			$ 44,363	$ 631,385
Investments (Note 4)	103,963	7,767	285,475		165,499	3,536,037			35,191	4,133,932
Amount on deposit with U.S. Treasury						320,426				320,426
Taxes receivable (Note 5)	222,270	28,628	5,668			39,207				295,773
Intergovernmental receivables	87,549	69,868			1,428					158,845
Other accounts receivable, net (Note 6)	39,011	7,798		106	8,699	52,371			51,338	159,323
Due from other funds						122,501				122,501
Inventories					1,725	34			14,647	16,406
Prepaid expenses					68				2,173	2,241
Loans and notes receivable, net (Note 7)			96,114	7,239	472,741				22,700	598,794
Loans to other funds			11,350							11,350
Property, plant and equipment, net (Note 8)					730,029	139	$2,242,602		1,046,897	4,019,667
Restricted assets (Note 12)					94,713					94,713
Other assets	1,239				27,199					28,438
Amounts available in debt service fund for retirement of:										
General obligation bonds								$ 108,339		108,339
Transportation bonds								293,943		293,943
Amounts to be provided for:										
Retirement of general obligation bonds								2,099,321		2,099,321
Retirement of transportation bonds								451,007		451,007
Retirement of other long-term obligations								481,081		481,081
Total assets, amounts available and amounts to be provided for retirement of bonds and other long-term obligations	$465,042	$243,763	$441,461	$20,941	$1,789,023	$4,173,653	$2,242,602	$3,433,691	$1,217,309	$14,027,485
Liabilities:										
Accounts payable and accrued liabilities	$115,852	$ 73,733	$ 1,460	$ 22,062	$ 35,680	$ 72,609			$ 67,519	$ 388,915
Due to other funds	122,501									122,501
Accounts payable to political subdivisions	20,898	33,376				67,122				121,396
Local income tax refunds						132,185				132,185
Lottery prizes					18,436					18,436
Accrued insurance losses (Note 13)					1,975	86,000				87,975
Other liabilities					8,658	8,284				16,942
Deferred revenue	62,470				9,186	8,889			11,478	92,023
Loans from other funds					11,350					11,350

Notes payable (Note 12)					134,404					134,404
Matured bonds and interest coupons payable			1,687							1,687
Liabilities payable from restricted assets (Note 12)					3,173					3,173
Accrued retirement costs									72,140	72,140
General obligation bonds payable (Note 9)								$2,207,660		2,207,660
Transportation bonds payable (Note 10)								744,950		744,950
Revenue bonds payable (Note 12)					639,537				22,657	662,194
Other long-term obligations								481,081		481,081
Total liabilities	321,721	107,109	3,147	22,062	862,399	375,089		3,433,691	173,794	5,299,012
Commitments and contingencies (Notes 13 and 14)										
Fund Equity:										
Investment in fixed assets							2,242,602		1,042,961	3,285,563
Contributed capital (Note 16)					173,514					173,514
Retained earnings:										
Reserved (Note 12)					96,738					96,738
Unreserved					656,372					656,372
Fund balance:										
Reserved for:										
Encumbrances	52,054	7,232		191,920						251,206
Loans and notes receivable (Note 7)			24,682							24,682
Loans to other funds			11,350							11,350
Higher education programs									26,401	26,401
Endowment and similar funds									20,329	20,329
Pension benefits (Note 15)						3,069,385				3,069,385
Workers' compensation benefits						37,656				37,656
Unemployment compensation benefits						352,078				352,078
Unrealized market depreciation on investments						(5,239)				(5,239)
Retirement of refunded debt (Note 10)						238,938				238,938
Unreserved:										
Designated for:										
General long-term debt service			108,339							108,339
Transportation debt service			293,943							293,943
Deferred compensation benefits						105,746				105,746
Agency activities	36,524									36,524
Undesignated	54,743	129,422		(19[illegible]41)					(46,176)	(55,052)
Total fund equity	143,321	136,654	438,314	(1,121)	926,624	3,798,564	2,242,602		1,043,515	8,728,473
Total liabilities and fund equity	$465,042	$243,763	$441,461	$ 20,941	$1,789,023	$4,173,653	$2,242,602	$3,433,691	$1,217,309	$14,027,485

The accompanying notes to combined financial statements are an integral part of these financial statements.

STATE OF MARYLAND

Combined Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances All Governmental Fund Types and Expendable Trust Funds for the year ended June 30, 1982

(Expressed in Thousands)

	Governmental Fund Types				Fiduciary Fund Types	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
Income taxes	$1,452,355					$1,452,355
Retail sales and use taxes	797,397					797,397
Motor vehicle taxes and fees		$436,633				436,633
Other taxes	405,617		$104,404		$131,617	641,638
Other licenses and fees	49,426					49,426
Charges for services	88,931	104,226				193,157
Interest and other investment income	76,497	19,084	29,418		26,656	151,655
Contributions					481,949	481,949
Other	78,792	1,597	483			80,872
Federal revenue	734,048	192,076		$ 2,782	46,460	975,366
Total revenues	3,683,063	753,616	134,305	2,782	686,682	5,260,448
Expenditures:						
Current:						
General government	205,972					205,972
Education	934,163					934,163
Human resources	465,299				311,180	776,479
Health and mental hygiene	896,743					896,743
Transportation		666,070				666,070
Public safety and judicial	286,223					286,223
Economic and community development	17,238					17,238
Natural resources and recreation	53,974					53,974
Agriculture	16,662					16,662
Personnel and retirement (Note 15)	334,725				477,386	812,111
Intergovernmental	152,961	113,204		109,878		376,043
Debt service:						
Principal retirement		60,000	184,830			244,830
Interest			166,483			166,483
Capital outlays				128,424		128,424
Refunded bond debt service					39,290	39,290
Total expenditures	3,363,960	839,274	351,313	238,302	827,856	5,620,705
Excess (deficiency) of revenues over expenditures	319,103	(85,658)	(217,008)	(235,520)	(141,174)	(360,257)
Other sources (uses) of financial resources:						
Proceeds from bond issues		65,700		188,180		253,880
Operating transfers in	208,341	70,987	252,684	34,589		566,601
Operating transfers out	(574,731)	(77,995)		(28,493)		(681,219)
Net other sources (uses) of financial resources	(366,390)	58,692	252,684	194,276		139,262
Excess (deficiency) of revenues over expenditures and net other sources (uses) of financial resources	(47,287)	(26,966)	35,676	(41,244)	(141,174)	(220,995)
Fund balance, July 1, 1981	197,203	163,620	402,638	40,123	837,936	1,641,520
Adjustment (Note 1B)	(6,595)					(6,595)
Fund balance, July 1, 1981, restated	190,608	163,620	402,638	40,123	837,936	1,634,925
Fund balance, June 30, 1982	$ 143,321	$136,654	$438,314	$ (1,121)	$ 696,762	$1,413,930

The accompanying notes to combined financial statements are an integral part of these financial statements.

STATE OF MARYLAND

Combined Statement of Revenues, Expenditures and Encumbrances, Other Sources and Uses of Financial Resources and Changes in Fund Balances—Budget and Actual— Budgetary General, Special and Federal Funds (Note 3) for the year ended June 30, 1982

(Expressed in Thousands)

	Budgetary Funds								
	General Fund			Special Fund			Federal Fund		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:									
Income taxes	$1,390,424	$1,413,216	$22,792	$ 76,261	$ 70,991	$ (5,270)			
Retail sales and use taxes	804,321	797,397	(6,924)						
Other taxes	270,533	272,342	1,809	509,834	493,211	(16,623)			
Licenses and fees	27,086	34,349	7,263	99,930	99,556	(374)			
Charges for services	37,840	50,115	12,275	457,185	471,964	14,779			
Interest and other investment income	75,000	79,465	4,465	4,000	27,583	23,583			
Other	248,292	212,634	(35,658)	339,360	291,728	(47,632)	$ 88,156	$ 83,650	$ (4,506)
Federal revenue	49,700	46,921	(2,779)		33,405	33,405	1,369,693	1,180,198	(189,495)
Total revenues	2,903,196	2,906,439	3,243	1,486,570	1,488,438	1,868	1,457,849	1,263,848	(194,001)
Expenditures and encumbrances by major function:									
Payments of revenue to civil divisions of the State	117,100	116,258	842	39,106	38,038	1,068			
Public debt	55,000	55,000		256,372	256,372				
Legislative	16,573	16,306	267				7	7	
Judicial review and legal	56,010	55,796	214	180	180		1,112	1,048	64
Executive and administrative control	14,537	14,221	316	491	489	2	23,910	22,814	1,096
Financial and revenue administration	87,105	82,719	4,386	30,318	28,786	1,532			
Budgetary and fiscal administration	3,168	3,156	12						
Personnel administration, retirement and employee relations	406,089	406,035	54	6,378	6,301	77	371	225	146
State planning	2,943	2,940	3	652	508	154	2,178	1,553	625
General services	17,544	17,544		446	446		467	397	70
Transportation and highways				704,914	653,623	51,291	531,489	436,499	94,990
Natural resources and recreation	22,702	22,675	27	27,377	25,721	1,656	13,269	11,811	1,458
Agriculture	6,812	6,792	20	7,705	7,550	155	1,356	1,174	182
Health, hospitals and mental hygiene	645,320	630,560	14,760	17,937	17,329	608	284,259	250,471	33,788
Human resources	213,827	207,844	5,983	402	402		311,633	265,401	46,232
Licensing and regulation	12,987	12,920	67	3,561	1,482	2,079	2,111	2,102	9
Public safety and correctional services	154,418	154,402	16	13,537	10,993	2,544	5,693	2,362	3,331
Public education	1,120,578	1,113,582	6,996	371,787	359,525	12,262	276,306	250,080	26,226
Economic and community development	11,167	11,166	1	5,397	4,906	491	3,688	2,372	1,316
Reversions:									
Current year reversions	(38,500)		(38,500)						
Prior year reversions		(10,722)	10,722		(1,447)	1,447		(3,977)	3,977
Total expenditures and encumbrances	2,925,380	2,919,194	6,186	1,486,570	1,411,204	75,366	1,457,849	1,244,339	213,510
Changes in encumbrances during fiscal year 1982		1,530	(1,530)		(11,696)	11,696		14,374	(14,374)
Total expenditures	2,925,380	2,920,724	4,656	1,486,570	1,399,508	87,062	1,457,849	1,258,713	199,136
Excess (deficiency) of revenues over expenditures	(22,184)	(14,285)	7,899		88,930	88,930		5,135	5,135
Other sources (uses) of financial resources:									
Operating transfers in (out)	12,000	18,605	6,605		8,182	8,182		(5,135)	(5,135)
Excess (deficiency) of revenues over expenditures and other sources (uses) of financial resources	(10,184)	4,320	14,504		97,112	97,112			
Fund balance, July 1, 1981	170,915	170,915		247,933	247,933				
Fund balance, June 30, 1982	$ 160,731	$ 175,235	$14,504	$ 247,933	$ 345,045	$ 97,112	$ -0-	$ -0-	$ -0-

The accompanying notes to combined financial statements are an integral part of these financial statements.

STATE OF MARYLAND

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances Enterprise Funds, Nonexpendable Trust Fund and Pension Trust Fund for the year ended June 30, 1982

(Expressed in Thousands)

	Proprietary Fund Type	Fiduciary Fund Types		Total (Memorandum Only)
	Enterprise	Nonexpendable Trust Fund	Pension Trust Fund	
Operating revenues:				
Lottery ticket sales	$457,436			$ 457,436
Charges for services and sales	95,400	$41,961		137,361
Contributions			$ 389,073	389,073
Interest and other investment income	78,540	15,410	276,152	370,102
Other	6,105	5	34	6,144
Total operating revenues	637,481	57,376	665,259	1,360,116
Operating expenses:				
Prizes and claims	210,955	46,062		256,997
Commissions and bonuses	23,360			23,360
Cost of sales and services	11,358			11,358
Operation and maintenance of facilities	62,018			62,018
General and administrative	25,263	4,516	2,702	32,481
Interest	56,091			56,091
Depreciation and amortization	1,214	42		1,256
Benefit payments and refunds			291,716	291,716
Other	857			857
Total operating expenses	391,096	50,620	294,418	736,134
Operating income before operating grants and transfers	246,385	6,756	370,841	623,982
Operating grants	15,692			15,692
Operating transfers in	1,944			1,944
Operating transfers out	(208,341)			(208,341)
Net income	55,680	6,756	370,841	433,277
Add: Depreciation of cost of assets acquired from contributed capital	14			14
Increase in retained earnings/fund balance	55,694	6,756	370,841	433,291
Retained earnings/fund balance, July 1, 1981	690,821	25,961	2,698,544	3,415,326
Adjustment (Note 1B)	6,595			6,595
Retained earnings/fund balance, July 1, 1981, as restated	697,416	25,961	2,698,544	3,421,921
Increase in unrealized market depreciation of investments		(300)		(300)
Retained earnings/fund balance, June 30, 1982	$753,110	$32,417	$3,069,385	$3,854,912

The accompanying notes to combined financial statements are an integral part of these financial statements.

STATE OF MARYLAND

Combined Statement of Changes in Financial Position

Enterprise Funds, Nonexpendable Trust Fund and Pension Trust Fund

for the year ended June 30, 1982

(Expressed in Thousands)

	Proprietary Fund Type	Fiduciary Fund Types		Total (Memorandum Only)
	Enterprise	Nonexpendable Trust Fund	Pension Trust Fund	
Sources of financial resources:				
Operations:				
Net income	$ 55,694	$ 6,756	$370,841	$433,291
Expenses not requiring current outlay of financial resources:				
Depreciation and amortization	1,214	42		1,256
Other	59			59
Total sources of financial resources from operations	56,967	6,798	370,841	434,606
Increase in inventories	363	34		397
Retirement of fixed assets	10	37		47
Increase (decrease) in accounts payable and accrued liabilities	16,672		(1,948)	14,724
Increase in accrued insurance losses	544	17,000		17,544
Increase in loans from other funds	34			34
Increase in notes payable	71,712			71,712
Issuance of revenue bonds payable	104,680			104,680
Contributed capital	76,123			76,123
Total sources of financial resources	327,105	23,869	368,893	719,867
Uses of financial resources:				
Increase in investments	22,579	22,587	360,894	406,060
Increase (decrease) in other accounts, loans and notes payable	42,277	(66)	7,999	50,210
Acquisition of fixed assets	17,365	115		17,480
Increase in restricted cash	22,484			22,484
Decrease in due to other funds	1,797			1,797
Decrease in accounts payable to political subdivisions	419			419
Decrease in lottery prizes	663			663
Repayment of notes payable	23,612			23,612
Decrease in liabilities payable from restricted assets	732			732
Decrease in general obligation bonds payable	45,980			45,980
Retirement of revenue bonds payable	9,574			9,574
Other, net	3,134	1,233		4,367
Total uses of financial resources	190,616	23,869	368,893	583,378
Net increase (decrease) in unrestricted cash and short term investments	$136,489	$ -0-	$ -0-	$136,489

The accompanying notes to combined financial statements are an integral part of these financial statements.

STATE OF MARYLAND

Balance Sheet

Higher Education and University Hospital Fund

June 30, 1982

(Expressed in Thousands)

	Current Funds		Loan Funds	Endowment and Similar Funds	Plant Funds	Total
	Unrestricted	Restricted				
Assets:						
Cash and short term investments	$62,173	$(7,674)	$ 1,520	$ 210	$ (11,866)	$ 44,363
Investments (Note 4)	908	575		20,100	13,608	35,191
Other accounts receivable, net (Note 6)	35,378	15,806	2		152	51,338
Inventories	14,647					14,647
Prepaid expenses	2,173					2,173
Loans and notes receivable, net (Note 7)			22,700			22,700
Property, plant and equipment, net (Note 8)					1,046,897	1,046,897
Interfund balances	(18,250)	(299)	(110)	19	18,640	
Total assets	$97,029	$ 8,408	$24,112	$20,329	$1,067,431	$1,217,309
Liabilities:						
Accounts payable and accrued liabilities	$59,587	$ 5,939	$ 180		$ 1,813	$ 67,519
Deferred revenue	11,478					11,478
Accrued retirement costs	72,140					72,140
Revenue bonds payable (Note 12)					22,657	22,657
Total liabilities	143,205	5,939	180		24,470	173,794
Commitments and Contingencies (Notes 13 and 14)						
Fund balances:						
Investment in fixed assets					1,042,961	1,042,961
Reserved for:						
Sponsored research		2,469				2,469
Loans to students			23,932			23,932
Endowment and similar funds				$20,329		20,329
Unreserved, undesignated	(46,176)					(46,176)
Total fund balance	(46,176)	2,469	23,932	20,329	1,042,961	1,043,515
Total liabilities and fund balance	$97,029	$ 8,408	$24,112	$20,329	$1,067,431	$1,217,309

The accompanying notes to combined financial statements are an integral part of these financial statements.

STATE OF MARYLAND

Statement of Revenues, Expenses, Interfund Transfers, Operating Transfers and Changes in Fund Balances

Higher Education and University Hospital Fund

for the year ended June 30, 1982

(Expressed in Thousands)

	Current Funds		Loan Funds	Endowment and Similar Funds	Plant Funds	Total
	Unrestricted	Restricted				
Revenues:						
Student tuition and fees	$138,337				$ 1,575	$ 139,912
Patient service revenue	119,285					119,285
Federal grants and contracts	21,185	$ 83,697	$ 1,179		37	106,098
State and local grants and contracts	1,609	7,952				9,561
Private gifts, grants and contracts	2,729	9,485	29	$ 426		12,669
Sales and services	94,074					94,074
Investment income	424	1,026		454	2,135	4,039
Realized gains on endowment investments				538		538
Interest on loans receivable			600			600
Other	2,481		793		431	3,705
Total revenues	380,124	102,160	2,601	1,418	4,178	490,481
Expenses and other deductions:						
Educational and general:						
Instruction	211,393	818				212,211
Research	27,233	66,838				94,071
Public service	12,921					12,921
Academic support	20,534	22				20,556
Student services	33,497	3,069	472			37,038
Institutional support	62,404	285				62,689
Scholarships and fellowships	7,535	25,844				33,379
Operation and maintenance of plant	68,652					68,652
Auxiliary enterprises	69,265					69,265
Hospital	143,103	4,891				147,994
Loan cancellations, write offs and refunds			2,209			2,209
Non-capitalized expenditures for plant facilities					2,720	2,720
Disposal of property, plant and equipment					3,290	3,290
Interest on indebtedness					817	817
Other	140			86	31	257
Total expenses and other deductions	656,677	101,767	2,681	86	6,858	768,069
Higher Education and University Hospital interfund tranfers—in (out):						
Mandatory:						
Principal and interest on revenue bonds	(377)				377	
Loan fund matching grant	(131)		131			
Non-mandatory:						
Remodeling, renewals and replacements	(36,029)				36,029	
Total Higher Education and University Hospital interfund transfers	(36,537)		131		36,406	
Operating transfer from State's general and capital projects funds	292,522				28,493	321,015
Net increase (decrease) in fund balance	(20,568)	393	51	1,332	62,219	43,427
Fund balance, July 1, 1981	(25,608)	2,076	23,881	18,997	980,742	1,000,088
Fund balance, June 30, 1982	$(46,176)	$ 2,469	$23,932	$20,329	$1,042,961	$1,043,515

The accompanying notes to combined financial statements are an integral part of these financial statements.

1. Financial Statements and Descriptions of Funds and Account Groups:

A. *Financial Statements:*

The accompanying financial statements of the State of Maryland present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the changes in financial position of the enterprise funds, nonexpendable trust fund and pension trust fund.

The financial statements include the various departments, agencies and other organizational units governed by the General Assembly and or constitutional officers of the State of Maryland. The following criteria, as defined in National Council of Governmental Accounting Statement Number 3, was utilized to determine the entity for the State of Maryland: selection of governing authority, appointment of management, constitutional officers' ability to significantly influence operations, accountability for fiscal operations and scope of public service.

B. *Fund Accounting:*

The financial activities are recorded in individual funds classified by type and described below. The financial position and operations of each fund are accounted for in separate self-balancing accounts which represent the fund's assets, liabilities, equity revenues and expenditures or expenses.

GOVERNMENTAL FUND TYPES

General Fund:

Transactions related to resources obtained and used for those services traditionally provided by a state government, which are not accounted for in other funds, are accounted for in the general fund. These services include, among other things, general government, public safety and judicial, health and mental hygiene, human resources, licensing and regulation, and education (other than higher education institutions). Resources obtained from federal grants and used for activities accounted for in the general fund consistent with applicable legal requirements are recorded in the general fund.

Special Revenue Fund:

Transactions related to resources obtained, the uses of which are restricted to specific purposes, are accounted for in the special revenue fund. The special revenue fund includes resources used for operations (other than debt service) of the Maryland Department of Transportation Trust Fund, including construction or improvement of transportation facilities.

Debt Service Funds:

Transactions related to resources obtained and used for the payment of interest and principal on general long-term debt obligations and transportation debt (other than Maryland Transportation Authority revenue bonds) are accounted for in debt service funds.

Capital Projects Fund:

Transactions related to resources obtained and used for the acquisition, construction or improvement of certain capital facilities, including those provided to political subdivisions and other public organizations are accounted for in the capital projects fund. Such resources are derived principally from proceeds of general obligation bond issues, federal grants and operating transfers from the State's general fund.

The State enters into long-term contracts for construction of major capital projects and records the commitments as encumbrances. The State pays the cost of capital projects principally from resources obtained from general obligation bond proceeds, operating transfers from the general fund and federal grants. These resources are received, in many cases, after the long-term contracts are executed and recorded as encumbrances. Accordingly, the undesignated fund balance of the capital projects fund reflects a deficit. This deficit will be funded by future bond proceeds and capital appropriations from the general fund (see Note 9).

PROPRIETARY FUND TYPE

Enterprise Funds:

The enterprise funds include:

1. Economic Development:
   Direct loan and loan insurance programs of the Maryland Department of Economic and Community Development.
2. Maryland Food Center Authority which owns and operates warehouse facilities for use by wholesale food distributors.
3. Maryland Transportation Authority which constructs, maintains and operates transportation toll facilities.
4. Maryland State Lottery which operates the State Lottery.
5. Maryland Environmental Service which constructs, maintains and operates water supply and liquid and solid waste disposal facilities.
6. State Use Industries which utilizes inmate labor from State correctional institutions to manufacture goods, wares and merchandise to be sold to State Agencies, political subdivisions and charitable, civic, educational, fraternal or religious associations or institutions.
7. Maryland Higher Education Loan Corporation which assists resident students in meeting costs of attending approved institutions by guaranteeing loans made by commercial lenders. Effective July 1, 1981, the Maryland Higher Education Loan Corporation's activities were recorded in the enterprise funds and its beginning equity was reclassified from the general fund balance to retained earnings in the enterprise funds.

FIDUCIARY FUND TYPES

Transactions related to assets held by the State in a trustee or agency capacity are accounted for in fiduciary fund types. Fiduciary fund types are comprised of:

1. Expendable trust funds which account for assets received and expended by the State as trustee.
2. Nonexpendable trust fund which reflects the transactions, assets, liabilities and fund equity of the State Accident Fund, a fund established to provide workers' compensation insurance for participating employers in the State, including the State of Maryland.
3. Pension trust fund which reflects the transactions, assets, liabilities and fund equities of the State administered retirement and pension systems.
4. Agency funds which account for the receipt and expenditure of various taxes, federal grant proceeds collected by the State for distribution to its political subdivisions and patient and prisoner accounts.

ACCOUNT GROUPS

General Fixed Assets Account Group:

General fixed assets acquired or constructed for use by the State in the conduct of its activities, other than activities accounted for in the proprietary fund type, the nonexpendable trust fund and higher education and university hospital fund are reflected in the general fixed assets account group at the time of acquisition. As of June 30, 1980 the State established and recorded in the general fixed assets account group the estimated cost of general fixed assets based on available historical cost records. Activity subsequent to June 30, 1980 is recorded at cost. Donated fixed assets are recorded at their fair market value at the time donated. Infrastructure assets, consisting principally of highways, roads and bridges are not recorded in the general fixed assets account group.

General Long-Term Debt Account Group:

Unmatured long-term general obligation and transportation bonds payable and accrued retirement costs related to general governmental activities are reflected in the general long-term debt account group.

HIGHER EDUCATION AND UNIVERSITY HOSPITAL FUND

Transactions related to the financial activities of State higher education institutions and the University of Maryland Hospital are accounted for in the higher education and university hospital fund. The financial statements of this fund have been prepared in accordance with the American Institute of Certified Public Accountants' "Industry Audit Guide—Audits of Colleges and Universities" and, accordingly, are presented in a separate column in the combined balance sheet.

2. Summary of Significant Accounting Policies:

A. *All Funds:*

Grants:

Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental revenues when entitlement occurs. All other Federal reimbursement type grants are recorded as revenues when the related expenditures, or expenses, are incurred.

Retirement Costs:

Substantially all State employees participate in one of seven State retirement systems (see Note 15). The State also provides retirement benefits to teachers and certain other employees of its political subdivisions. Retirement expenditures for governmental fund types represent amounts contributed by the State for the fiscal year. The excess amounts of actuarially determined retirement costs over the amounts recorded as expenditures are carried in the general long-term debt account group. For the proprietary fund type and higher education and university hospital fund, retirement costs have been provided on the accrual basis predicated on actuarial valuations. The excess of retirement costs provided over amounts funded is carried as a liability.

Employee Benefit Costs:

Substantially all expenditures for pension, health and Federal Social Security benefits of governmental fund types, including approximately $243,000,000 of expenditures applicable to teachers and other employees of political subdivisions, are reported as personnel and retirement expenditures in the general fund. Material benefit costs applicable to the proprietary fund type and higher education and university hospital fund are reflected as expenses in the appropriate fund.

Interfund Receivables and Payables:

Interfund receivables and payables consist of the following at June 30, 1982 (amounts expressed in thousands):

General fund:	
Due to:	
Expendable trust funds—	
Federal payroll taxes	$ 8,761
Agency fund—local income taxes	113,740
	$122,501

Total Memorandum Only:

The "Total Memorandum Only" column represents an aggregation of the individual combined financial statements and does not represent consolidated financial information.

B. Governmental Fund Types, Expendable Trust and Agency Funds:

Basis of Accounting:

The accounts of the general, special revenue, debt service, capital projects, expendable trust and agency funds are maintained and reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are susceptible to accrual and recognized in the financial statements when they are measurable and available to finance operations during the year or liquidate liabilities existing at the end of the year. Material revenues susceptible to accrual include federal grants, income, sales and motor vehicle fuel and excise taxes. Expenditures are recognized when obligations are incurred as a result of receipt of goods and services. Modifications to the accrual basis of accounting include:

- Interest on long-term obligations reflected in the general long-term debt account group is recognized in the debt service funds when it becomes payable.
- Inventories of materials and supplies are recorded as expenditures when purchased.
- Obligations for employees' vested annual leave and sick leave are recorded as expenditures when paid.
- Encumbrances, represented by executed and unperformed purchase orders and contracts which are approved by the Department of Budget and Fiscal Planning, are recorded as reservations of fund balance as of the end of the fiscal year.

Investments:

Investments are stated at cost, adjusted for amortization of premiums and accretion of discounts, plus accrued income. Short term investments aggregating $477,640,000 (which approximates market value) at June 30, 1982, consisting principally of U. S. Government Securities purchased with agreements to resell, are reported as cash and short term investments in governmental fund types.

Intergovernmental Expenditures:

Expenditures of general and special revenue fund revenues designated for payment to political subdivisions and bond proceeds granted to political subdivisions and other public organizations are recorded as intergovernmental expenditures. Direct grants and other payments to, or on behalf of, political subdivisions are recorded as current expenditures.

Capital Outlays:

Principally all capital expenditures for the acquisition or construction of State general fixed assets are reported as capital outlays in the capital projects fund.

Designated General Fund Balance:

General fund balance of $36,524,000 at June 30, 1982, representing non-budgeted agency resources, was designated for specific agency activities and programs.

Expendable Trust Fund Balances:

Fund balances of expendable trust funds are restricted to the purpose of the fund and are reported as fund balance reserves.

C. Enterprise Funds and Nonexpendable and Pension Trust Funds:

Basis of Accounting:

The accounts of the enterprise funds, nonexpendable trust fund and pension trust fund are maintained and reported using the accrual basis of accounting.

Investments:

Investments of enterprise funds and the pension trust fund are stated at cost, adjusted for amortization of premiums and accretion of discounts, plus accrued income. Short term investments aggregating $218,129,000 (which approximates market) at June 30, 1982, consisting principally of U. S. Government Securities purchased with agreements to resell, are reported as cash and short term investments in the enterprise funds.

Short term investments of the State Accident Fund are stated at cost, adjusted for amortization of premiums and accretion of discounts, plus accrued income. Short term investments aggregating $35,841,000 (which approximates market) at June 30, 1982, consisting of U. S. Treasury Bills and commercial paper, are reported as cash and short term investments. Other investments of the State Accident Fund which are held for trading purposes and are not intended to be held until maturity are stated at their market value of $91,874,000. Realized gains and losses from the sale of other investments are credited or charged to income. Changes in unrealized market appreciation or depreciation are credited or charged to fund equity. Unrealized market appreciation or depreciation on other investments is reflected as a reservation of fund equity.

Property, Plant and Equipment:

Significant property, plant and equipment of enterprise funds are stated at cost.

The cost of property, plant and equipment used in the administration of Economic Development activities and the Maryland State Lottery is charged to operations in the period acquired. Such amounts are not material.

Depreciation of the cost of property, plant and equipment of the State Use Industries and Maryland Food Center Authority is provided on the straight-line basis over estimated useful lives of 25 to 50 years for depreciable real property, 5 to 10 years for building improvements and 3 to 10 years for equipment. Repairs and maintenance are charged to operations in the period incurred. Replacements, additions and betterments are capitalized.

In accordance with retirement-replacement-betterment accounting principles the cost of toll facilities is not depreciated. Repairs, maintenance and replacements are charged to operations in the period incurred. Additions and betterments are capitalized.

The cost of property, plant and contributed equipment of the Maryland Environmental Service is not depreciated and such amount is not material in relation to the combined enterprise funds. Depreciation of the cost of purchased equipment is provided on the straight-line basis over an estimated useful life of three years. Repairs and maintenance are charged to operations in the period incurred. Replacements, additions and betterments are capitalized.

Depreciation of the cost of equipment of the Maryland Higher Education Loan Corporation is provided on the straight-line basis over estimated useful lives of 5 to 10 years.

Depreciation on equipment of the nonexpendable trust fund is provided on the straight-line basis over estimated useful lives of 4 to 10 years.

Lottery Revenues and Prizes:

Revenues and prizes of the Maryland State Lottery are generally recognized as drawings are held. Certain prizes are payable in deferred installments. Such liabilities are recorded at the present value of amounts payable in the future.

Provisions for Insurance and Loan Losses:

Current provisions are made for estimated losses resulting from insurance of loans and uncollectible loans. Loss provisions are based on the current status of insured and direct loans, including delinquencies, economic conditions, loss experience, estimated value of collateral and other factors which may affect their realization.

Workers' compensation claims are recognized as expenses in the period incurred. Annually, the consulting actuary for the State Accident Fund estimates the liability for injuries incurred but not reported, the future liability on claims before the commission, and permanent awards. These liabilities are reported as accrued insurance losses.

Inventories:

Inventories of the Maryland Transportation Authority, State Use Industries and the nonexpendable trust fund are stated at the lower of cost, using the first-in, first-out method, or market.

Enterprise Funds Reserved Retained Earnings:

Retained earnings of the loan programs of the Economic Development enterprise fund is reserved for payment of debt service in the amount of $3,001,000.

Retained earnings of the Maryland Transportation Authority in the amount of $91,540,000 is reserved for the payment of debt service related to the revenue bonds, major project maintenance requirements and improvements, betterments, enlargements, or capital additions.

Retained earnings of the Maryland State Lottery in the amount of $1,927,000 is reserved for the payment of unclaimed prizes.

Retained earnings of the Maryland Higher Education Loan Corporation in the amount of $270,000 is reserved for the purchase of defaulted loans.

Nonexpendable and Pension Trust Fund Balances:

Fund balances of nonexpendable and pension trust funds are restricted to the purpose of the fund and are reported as fund balance reserves.

D. Higher Education and University Hospital Fund:

Basis of Accounting:

The accounts of the higher education institutions and the University of Maryland Hospital are maintained and reported on the accrual basis of accounting.

Fund Accounting:

The financial activities of the higher education institutions and the University of Maryland Hospital are recorded in funds which classify the various transactions by specified activities or objectives. Fund balances of such funds are reported as reserved for higher education programs and higher education general endowment and similar funds.

Unrestricted revenue is accounted for in the current unrestricted fund. Restricted gifts, grants, endowment income and other restricted resources are accounted for in the current restricted fund, loan funds, endowment and similar funds and plant funds. Revenue and expenses are reported in the current restricted fund when financial resources are used for the current operating purposes for which they have been provided. Transactions related to the various student loan programs operated by the educational institutions are accounted for in loan funds. Resources dedicated to the acquisition and investment in property, plant and equipment are accounted for in the plant funds. To the extent current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenses, in the case of normal replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt repayment and interest and equipment renewals and replacements; and (3) transfers of a nonmandatory nature in all other cases.

General endowment funds are subject to the restrictions of gift instruments requiring the principal be invested in perpetuity and the income only be utilized. Term endowment funds are similar to general endowment funds except, upon the passage of a stated period of time or the occurrence of a particular event, all or part of the principal may be expended. Quasi-endowment funds have been established for the same purposes as general endowment funds, except any portion of quasi-endowment funds may be expended. The balances of the fund groups which comprise the endowment and similar funds are general endowment ($16,427,000), term endowments ($40,000), and quasi-endowments ($3,862,000).

Investments:

Investments of the higher education institutions are stated at cost, adjusted for amortization of premiums and accretion of discounts, plus accrued income.

Student tuition and fees are fully recognized as revenues in the fiscal year in which the related courses or activities are principally conducted. Student tuition and fees applicable to future courses and activities and collected as of the end of the fiscal year are recorded as deferred revenue.

Patient revenues are recognized at the time of service, net of allowances applicable to third party payers, charity and bad debts.

Accounts and Notes Receivable:

An allowance for doubtful receivables is provided for estimated losses expected to be incurred in collection. The estimated losses are based on historical collection experience and a review of the status of existing receivables.

Inventories:

Inventories are stated at the lower of cost, using the first-in, first-out method, or market.

Plant:

Property, plant and equipment is stated principally at cost at date of acquisition or fair value at date of donation in the case of gifts. Consistent with generally accepted accounting principles for colleges and universities, depreciation is not provided for the cost of plant assets, except for those of the hospital. Depreciation of the cost of the hospital's plant for 1982, in the amount of $3,628,000 is computed on the straight-line method over the estimated useful lives of 40 years for buildings, 20 years for building improvements and 10 years for equipment. The balance of the fund groups in the plant funds includes $3,074,000 of unexpended plant funds at June 30, 1982.

Operating Transfers from State's General Fund:

A substantial portion of the higher education and university hospital fund's current unrestricted expenses, including current payments for retirement costs and fringe benefits, are funded through appropriations from the general fund at the time the expenses are encumbered or paid. The excess of retirement costs provided over the amounts currently funded ($7,839,000 in the current year and $72,140,000 since July 1, 1978) has been accrued in the balance sheet of the higher education and university hospital fund. The resources for payment of the accrued retirement costs, which are expected to be funded principally through future state appropriations, are not expected to be provided until the retirement costs are paid.

Included in current unrestricted fund expenses and operating transfers from the State's general fund is $55,215,000 which represents the amount of pension and fringe benefits costs paid during the 1982 fiscal year by the Department of Personnel on behalf of the higher education and university hospital fund.

3. Budgeting and Budgetary Control:

The Maryland Constitution requires the Governor to submit to the General Assembly an annual balanced budget for the following fiscal year. This budget is prepared and adopted for the following three Budgetary Funds:

General Fund:

The General Fund is the fund in which all general transactions of the State are recorded, unless otherwise directed to be included in another fund.

Special Fund:

The Special Fund includes all of the transportation activities of the State (except for the Maryland Transportation Authority which is not accounted for in the budgetary system), dedicated funds such as university and college students' fees, fishery and wildlife funds, shared taxes and payments of debt service on general obligation bonds.

Federal Fund:

The Federal Fund is the fund in which principally all grants from the Federal government are recorded.

In addition to the annual budget the General Assembly adopts authorizations for the issuance of general obligation bonds and the expenditures of the funds obtained thereby are accounted for in the capital projects fund. Because capital projects fund authorizations are not part of the annual budget, capital projects fund activities are not presented in the Combined Statement of Revenues, Expenditures and Encumbrances, Other Sources and Uses of Financial Resources and Changes in Fund Balances—Budget and Actual—Budgetary General, Special and Federal Funds.

All State budgetary expenditures for the general, special and federal funds are made pursuant to the appropriations in the annual budget, as amended from time to time by budget amendments. State governmental units may, with the Governor's approval, amend the appropriations by major function within the general fund, provided they do not exceed their total general fund appropriations as contained in the annual budget. Increases in general fund appropriations must be approved by the General Assembly. For the fiscal year ended June 30, 1982 the General Assembly approved increases in General Fund appropriations aggregating $23,878,000. Appropriations for programs funded in whole or in part from the special or federal funds may permit expenditures in excess of original special or federal fund appropriations to the extent that revenues from the particular special or federal fund sources exceed original budget estimates and such additional expenditures are approved by the Governor or, in the case of the University of Maryland, the Board of Public Works. Unexpended appropriations from the general fund may be carried over to succeeding years to the extent encumbrances are approved by the Department of Budget and Fiscal Planning. Unexpended appropriations from special and federal funds may be carried over to the extent of (a) available resources, and (b) encumbrances are approved by the Department of Budget and Fiscal Planning.

The amended annual budget adopted by the General Assembly for the general, special and federal funds is presented in the Combined Statement of Revenues, Expenditures and Encumbrances, Other Sources and Uses of Financial Resources and Changes in Fund Balances—Budget and Actual—Budgetary General, Special and Federal Funds. The State's budgetary fund structure and the basis of accounting used for budgetary purposes, which is the modified accrual basis with certain exceptions, differs from that utilized to present financial statements in conformity with generally accepted accounting principles. A summarization of the effect of the fund structure differences and exceptions to the modified accrual basis of accounting (amounts expressed in thousands) with respect to governmental fund types as of June 30, 1982 follows:

Budgetary Funds	General	Special		Capital Projects	Other
Financial Statement Funds	General	Special Revenue	Debt Service	Capital Projects	
Budgetary fund equities, June 30, 1982	$175,235	$345,045		$ 56,697	$777,063
Reclassification of budgetary fund equities into GAAP financial statement fund structure	61,976	(167,821)	$442,677	(43,101)	(777,063)
Budgetary fund equities reclassed into GAAP financial statement funds	237,211	177,224	442,677	13,596	
Other accounting principle differences:					
Assets recognized in the GAAP financial statements not recognized for budgetary purposes (net of applicable deferred revenues):					
Intergovernmental receivables	6,340	(12,745)			
Other accounts receivable	15,623	2,380	77	106	
Loans and notes receivable			(4,440)	7,239	
Liabilities recognized in GAAP financial statements not recognized for budgetary purposes:					
Accounts payable and accrued liabilities	(1,626)	(30,205)		(22,062)	
Local income taxes payable to local income tax agency fund	(113,740)				
Accounts payable to political subdivisions	(487)				
GAAP financial statement fund equities, June 30, 1982	$143,321	$136,654	$438,314	$ (1,121)	$ -0-

The State's accounting system is maintained by the Comptroller in compliance with State Law and in accordance with the State's Budgetary Funds. In addition to the accounting systems maintained by the Comptroller, certain individual agencies which are not subject to the State budget maintain accounting systems which permit financial reporting on the basis of generally accepted accounting principles. The most significant of these agencies are: ecomonic development loan and insurance activities, Maryland Food Center Authority, Maryland State Lottery, Maryland Environmental Service, State Use Industries, Maryland Higher Education Loan Corporation, Fiduciary Funds and the higher education and university hospital fund. In certain instances these agencies deposit funds with the State Treasurer and in such instances accountability for such funds is maintained in the budgetary other fund.

4. Investments:

Investments (amounts expressed in thousands) as of June 30, 1982 consisted of:

	Funds					
	General	Special Revenue	Debt Service	Enterprise	Fiduciary Fund Type	Higher Education and University Hospital
U. S. Treasury and Agency obligations	$ 77,011	$7,767	$285,475	$108,418	$ 262,403	$18,258
Certificates of deposits	26,952					57
Commercial paper				8,085	658,309	1,312
Corporate debt securities					1,517,453	1,950
Corporate equity securities					808,348	12,744
Annuity contracts				16,326	101,518	
Other				32,670	188,006	870
Total	$10[illegible]963(a)	$7,767(a)	$285,475(b)	$165,499(c)	$3,536,037(d)	$35,191(e)

(a) Market value approximates cost.

(b) The Department of Transportation, (Department) on behalf of the Consolidated Transportation Refunding Bond Sinking Fund and the County Transportation Refunding Bond Sinking Fund, has entered into federal securities purchase agreements with banks thereby reducing the market risk to the Department. Under these agreements the Department is required to invest a total of $246,000,000 of Sinking Fund deposits over the first five and one-half years of the Bond issues. The invested funds are used to purchase federal securities from the banks at pre-determined yields and ranges of maturities. Investment maturities are scheduled in accordance with bond redemption provisions and the Department anticipates that all investments will be held until maturity. As of June 30, 1982, investment cost exceeded market value by approximately $82,000,000; however, no decline in investment market value has been recognized in the financial statements since the Department intends to hold the investments until maturity.

(c) Market value approximates $147,799,000.

(d) Market value approximates $3,096,906,000.

(e) Principally all assets of the higher education endowment and similar funds are pooled on a market value basis. Each fund subscribes to or disposes of units on the basis of the per-unit market value at the beginning of the calendar quarter within which the transaction takes place. At June 30, 1982, the fund consisted of 180,221 units, each unit having a market value of $104.14.

The following tabulation summarizes changes in the relationship between cost and market of the pooled net assets (amounts expressed in thousands) and the change in market value per unit for the year ended June 30, 1982:

	Pooled Net Assets		Excess (Deficiency) of Market Over Cost	Market Value Per Unit
	Market	Cost		
End of year	$18,768	$19,295	$ (527)	$104.14
Beginning of year	20,050	18,239	1,811	113.93
Unrealized net market depreciation for year			(2,338)	
Realized net gains for year			622	
Total change in excess of market over cost for year			$(1,716)	$ (9.79)

5. Taxes Receivable:

Taxes receivable (amounts expressed in thousands) as of June 30, 1982 consisted of the following:

	Funds			
	General	Special Revenue	Debt Service	Trust and Agency
Income taxes, current employee withholdings held by employers	$147,665			
Retail sales and use taxes, current taxes held by collectors	71,585			
Transportation taxes, principally motor vehicle fuel and excise		$28,628		
Unemployment compensation taxes				$39,207
Other taxes, principally alcohol, tobacco and property	3,020		$5,668	
Total	$222,270	$28,628	$5,668	$39,207

6. Other Accounts Receivable:

Other accounts receivable (amounts expressed in thousands) as of June 30, 1982 consisted of the following:

	Funds					
	General	Special Revenue	Capital Projects	Enterprise	Fiduciary Fund Type	Higher Education and University Hospital
Contributions					$34,109	
Grants and contracts—current restricted funds						$15,806
Student tuition and fees						8,828
Hospital patient services	$16,767					34,770
Miscellaneous	22,244	$7,798	$106	$8,699	18,607	1,712
	39,011	7,798	106	8,699	52,716	61,116
Less allowance for doubtful accounts					345	9,778
Other accounts receivable, net	$39,011	$7,798	$106	$8,699	$52,371	$51,338

7. Loans and Notes Receivable:

Loans and notes receivable (amounts expressed in thousands) as of June 30, 1982 consisted of the following:

	Funds			
	Debt Service	Capital Projects	Enterprise	Higher Education and University Hospital
Notes receivable for advances of general obligation bond proceeds:				
Political subdivisions:				
Public school construction	$41,119			
Other	14,575			
Hospitals and nursing homes	40,293			
Construction mortgage loans			$ 39,183	
Permanent mortgage loans			433,292	
National direct student loans				$24,208
Health profession loans				6,553
Other	232	$7,239	266	476
	96,219	7,239	472,741	31,237
Less allowance for possible loan losses	105			8,537
Loans and notes receivable, net	$96,114	$7,239	$472,741	$22,700

Notes receivable for advances of general obligation bond proceeds bear interest at rates ranging from 3% to 6.5% and mature over the next 30 years. Notes receivable maturing after 1997 in the amount of $24,682,000 are deemed to be not available for debt service because all related general obligation bonds are scheduled to be retired by that date. Accordingly, the amount has been reflected as a reservation of debt service fund balance. Such amounts will become available to fund debt service when the due date of the outstanding amounts becomes equal to or less than the maturity dates of general long-term debt.

Construction mortgage loans receivable are subject to commitments from other lenders to purchase the loans upon completion of construction. Proceeds from payments of principal and interest on the construction and permanent mortgage loans are pledged to meet the debt service requirements of the mortgage revenue bonds (see Note 12).

National direct student loans and health profession loans are made pursuant to student loan programs funded through the U.S. Government.

8. Property, Plant and Equipment:

Property, plant and equipment (amounts expressed in thousands) consisted of the following as of June 30, 1982:

Enterprise Funds:

	Depreciable Assets	Non-Depreciable Assets
Land and improvements (includes land being held for sale of $2,171)		$ 3,996
Structures and Improvements	$12,996	712,187
Equipment	2,779	296
Construction in progress		1,349
	15,775	717,828
Less accumulated depreciation	3,574	
Total	$12,201	$717,828

Nonexpendable Trust Fund:

Equipment, net of accumulated depreciation of $111	$ 139

General Fixed Assets:

The General Fixed Assets activity by asset classification for the year ended June 30, 1982 is as follows (amounts expressed in thousands):

Classification	Balance July 1, 1981	Additions	Deletions	Transfers in (out)	Balance June 30, 1982
Land and improvements	$ 294,757	$ 25,324	$ 340	$ 2,543	$ 322,284
Structure and improvements	786,973	16,931	2,113	67,065	868,856
Equipment	205,730	24,971	8,690	53,264	275,275
Construction in progress	732,395	166,828	164	(122,872)	776,187
Total	$2,019,855	$234,054	$11,307	$ -0-	$2,242,602

Higher Education and University Hospital Fund:

Land	$ 48,424
Buildings and improvements	610,253
Contents	252,547
Construction in progress	86,135
Hospital building and contents, net of accumulated depreciation of $25,745	49,538
Total	$1,046,897

During the year ending June 30, 1983, the University of Maryland Hospital will conclude a complete inventory and cost valuation of its buildings and contracts. Any adjustment to present balances resulting from this inventory are not expected to have a material effect on the financial statements of the higher education and university hospital fund.

9. General Obligation Bonds:

General obligation bonds are authorized and issued primarily to provide funds for state owned capital improvements, including facilities for institutions of higher learning, and the construction of public schools in political subdivisions. Bonds have also been issued for local governmental improvements, including grants and loans for water quality improvement projects and correctional facilities, and to provide funds for repayable loans or outright grants to private, not-for-profit cultural or educational institutions. Under constitutional requirements and practice, the Maryland General Assembly, by a separate enabling act, authorizes a loan for a particular object or purpose. Thereafter the Board of Public Works, a constitutional body composed of the Governor, the Comptroller of the Treasury and the State Treasurer, by resolution authorizes the issuance of bonds in a specified amount for part or all of the loan authorized by a particular enabling act.

General obligation bonds are backed by the full faith and credit of the State and, pursuant to the State Constitution, they must be fully paid within 15 years from the date of issue.

General obligation bonds outstanding and bonds authorized but unissued (amounts expressed in thousands) as of June 30, 1982 were as follows:

Purpose	Outstanding		Authorized But Unissued
	Interest Rates	Amount	Amount
General construction	3.70% to 11.30%	$ 680,805	$327,894
Public school construction	3.70% to 11.30%	1,050,765	131,350
Water quality	4.40% to 6.25%	116,255	127,479
Sanitary facilities and sewage treatment	3.70% to 9.20%	14,475	6,705
Hospitals and nursing homes	3.70% to 9.20%	10,610	
Community colleges and vocational schools	3.70% to 5.75%	49,255	8,800
Airport development	3.70% to 4.90%	20,080	
Housing loans	4.25% to 11.30%	72,340	5,003
Maryland Port Authority loans	3.70% to 11.30%	13,430	
Other	3.70% to 11.30%	179,645	191,902
		$2,207,660	$799,133

As of June 30, 1982, general obligation debt service requirements for principal and interest (amounts expressed in thousands) in future years were as follows:

Years Ending June 30,	Total	Years Ending June 30,	Total
1983	$317,415	1990	$244,031
1984	329,931	1991	204,394
1985	328,014	1992	135,361
1986	323,129	1993	87,798
1987	302,036	1994	64,681
1988	281,332	1995	52,501
1989	261,121	1996	39,323
		1997	23,916

On July 1, 1982, General Obligation Bonds aggregating $140,495,000 were issued. The interest rates on this issue range from 11.0% to 11.2% and the bonds mature serially through 1997. In connection with this issue the state held a deposit from the purchaser of the debt in the amount of $2,810,000 at June 30, 1982.

On November 10, 1982, General Obligation Bonds aggregating $126,735,000 were sold. The interest rates on this issue range from 8.3% to 8.4% and the bonds mature serially through 1997.

10. Transportation Bonds:

Transportation bonds outstanding (amounts expressed in thousands) as of June 30, 1982 were as follows:

	Outstanding
Consolidated Transportation Bonds—5.375% Refunding Series, due February 15, 1993	$354,865
County Transportation Bonds—5.5% Refunding Series, due May 15, 1993	155,725
Consolidated Transportation Bonds—5.9% to 7.4%	105,000
County Transportation Bonds—5.3% to 11.0%	69,360
Consolidated Transportation Bond Anticipation Notes—8.92%	60,000
	$744,950

Consolidated Transportation Bonds are limited obligations issued by the Department of Transportation for highway, port, airport or mass transit facilities or any combination of such facilities, the principal of which must be paid within 15 years from the date of issue. The outstanding aggregate principal amount of these bonds, plus outstanding Maryland Port Authority Loans (see Note 9) may not by law exceed $950,000,000. At June 30, 1982, the principal amount of additional bonds which may be issued under this limitation was $420,220,000.

Principal of and interest on Consolidated Transportation Bonds are payable from the proceeds of certain excise taxes levied by statute and the corporate income tax credited to the Department less amounts required for debt service on Maryland Port Authority Loans. These amounts are applicable to the extent necessary for that exclusive purpose before being available for other uses by the Department. If those tax proceeds become insufficient to meet debt service requirements, other receipts of the Department are available for that purpose. The holders of such bonds are not entitled to look to other State's resources for payment.

Under the terms of authorizing bond resolutions, additional Consolidated Transportation Bonds may be issued, provided, among other conditions, that (i) total receipts (excluding federal funds for capital projects, bond and note proceeds, income received from a sinking fund separately dedicated to the Refunding Bonds, and other receipts not available for debt service), less administration, operation and maintenance expenses, for the preceding fiscal year equal at least two times maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued and any then outstanding Maryland Port Authority Loans and that (ii) total proceeds from pledged taxes equal at least two times maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued and any then outstanding Maryland Port Authority Loans.

County Transportation Bonds are issued by the Department and the proceeds are used by participating counties and Baltimore City to fund local road construction, reconstruction and other transportation projects and facilities and to provide local participating funds for federally-aided highway projects. Debt service on these bonds is payable from the counties' and Baltimore City's shares of highway user revenues.

As of June 30, 1982, Transportation bond debt service requirements for sinking fund deposits and principal and interest payments (amounts expressed in thousands) in future years were as follows:

Years ending June 30,	Consolidated Transportation Sinking Fund Deposits	County Transportation Bonds Sinking Fund Deposits	Consolidated Transportation Bonds (Principal and Interest)	County Transportation Bonds (Principal and Interest)	Consolidated Transportation Bond Anticipation Notes	Total Transportation Bond Debt Service Requirements
1983	$39,998	$17,781	$ 6,769	$8,092	$65,352	$137,992
1984	39,998	17,314	6,769	8,236		72,317
1985	39,998	15,779	10,769	8,286		74,832
1986	39,998	15,171	11,473	8,311		74,953
1987	12,671	5,466	13,188	8,290		39,615
1988			13,775	8,328		22,103
1989			18,057	8,349		26,406
1990			17,226	8,362		25,588
1991			16,395	8,404		24,799
1992			14,589	8,409		22,998
1993			13,806	8,424		22,230
1994			13,005	8,397		21,402
1995			6,201	7,940		14,141
1996				7,970		7,970
1997				822		822

On February 15 and May 25, 1978 the Department of Transportation issued Consolidated Transportation Bonds, Refunding Series 1978 and County Transportation Bonds—First Issue Refunding Series 1978, respectively. The net proceeds of these issues, after underwriters' discounts and other financing expenses, in principal amounts aggregating $510,625,000 were used to purchase U.S. Government Securities sufficient to fully provide for the timely payment of $500,585,000 Consolidated Transportation Bonds, State Highway Construction Bonds and County Transportation Bonds. As a result of these transactions, the refunded bonds are deemed to be retired and, accordingly, are no longer reported as long-term debt in the financial statements. The U.S. Government Securities purchased were deposited with the State Treasurer and are accounted for in the refunded transportation debt expendable trust fund. Accordingly, the fund balance has been reserved for the retirement of refunded debt.

11. Changes in General Long-Term Debt:

Changes in long-term debt (amounts expressed in thousands) for the year ended June 30, 1982 are summarized as follows:

	General Obligation Bonds	Transportation Bonds	Other Long-Term Debt
Balance, July 1, 1981	$2,158,075	$739,505	$402,422
Assumption of general obligation debt of the Economic Development Loan Programs	45,980		
Bond issuances	188,180	65,700	
Bond principal retirements	(184,575)	(60,255)	
Excess of actuarially determined retirement costs over the amounts recorded as expenditures in governmental fund types			82,162
Amortization of prior years' liability for unfunded retirement costs			(3,503)
Balance, June 30, 1982	$2,207,660	$744,950	$481,081

12. Revenue Bonds and Notes Payable:

A. *Enterprise Funds:*

Community Development Administration:

Revenue Bonds:

The Community Development Administration, an agency of the Department of Economic and Community Development, has issued revenue bonds, the proceeds of which were used to provide funds for its various mortgage loan programs. Assets aggregating approximately $702,000,000 and revenues of each mortgage loan program are pledged as collateral for the respective revenue bonds and notes payable (see below). Interest rates range from 4.6% to 14% and the bonds mature serially through May 15, 2024. The aggregate principal amount outstanding at June 30, 1982 was $510,163,000. Maturities of principal (amounts expressed in thousands) are as follows:

Years ending June 30,	Amount
1983	$ 6,660
1984	8,130
1985	9,130
1986	9,820
1987	9,810
1988 and thereafter	466,613
	$510,163

Substantially all bonds are subject to redemption provisions at the option of the Administration. Redemptions are permitted at rates ranging from 103% to 100% of outstanding principal amount at dates between January 1, 1986 and January 1, 1998. All unmatured bonds outstanding at January 1, 1998 are redeemable at par.

Notes Payable:

The aggregate amount of notes payable (amounts expressed in thousands) at June 30, 1982, consisted of:

1980 Series A Construction Loan Notes with interest of 7.375% payable semi-annually to maturity March 1, 1983	$ 31,515
1981 Series A Construction Loan Notes with interest of 9.25% payable semi-annually to maturity June 15, 1983	30,535
1982 Series A Construction Loan Notes with interest of 9.40% payable semi-annually to maturity February 1, 1985	31,110
1982 Series A Multi-Family Construction Loan Notes (FHA—Insured Advances—GNMA Tamden Program) with interest of 9.50% due October 1, 1984	30,300
Bond Anticipation Notes under a $25,000,000 revolving credit facility. Borrowing under the agreement is at 70% of the principal bank's prime rate, but is not to exceed 14%	10,944
	$134,404

Maryland Food Center Authority (Authority):

On August 3, 1979 the Authority issued a $2,000,000 revenue bond at an interest rate of 5.50%, the proceeds of which was used for the construction of the 29 unit expansion of the Maryland Wholesale Produce Market. Maturities of principal (amounts expressed in thousands) are as follows:

Years ending June 30,	Amount
1983	$ 450
1984	500
1985	400
	$1,350

Maryland Transportation Authority (Authority):

The Maryland Transportation Authority has issued Transportation Facilities Projects Revenue Bonds, First Series (Refunding) which are payable solely from the revenues of the transportation facilities projects. Bonds outstanding (amounts expressed in thousands) as of June 30, 1982 consisted of:

Serial bonds maturing in annual installments from $970 to $2,415 from July 1, 1983 through July 1, 1997 with interest rates ranging from 5.20% to 6.20%, payable semi-annually	$ 23,885
Term bonds with interest at 6.625%, payable semi-annually, due July 1, 2003	18,550
Term bonds with interest at 6.80%, payable semi-annually, due July 1, 2016	76,170
	$118,605

The serial bonds are subject to redemption at par in whole or in part, at the option of the Authority on any July 1 after June 30, 1983, by operation of the Sinking Fund; or at redemption prices ranging from 102% to 100% of the principal amount on any date or dates after July 2, 1987 from any monies made available for such purpose. The term bonds are subject to redemption by operation of the Sinking Fund in the years 1998 through 2015 at annual principal amounts ranging from $2,615,000 to $8,400,000.

In compliance with the Trust Agreement underlying the Transportation Facilities Projects Revenue Bonds, First Series (Refunding), the Authority has established restricted equity accounts in the aggregate amount of $91,540,000 for certain operating expenses, payment of the bonds and interest and acquisition, construction and improvements to transportation facilities projects. Assets consisting of cash and short term investments, $23,675,000; investments, $70,986,000; and supplies inventories, $52,000; less current accounts payable, $3,173,000 have been restricted for such purposes.

Maryland Environmental Service (Service):

The Service has issued revenue bonds for the construction of certain projects. The bonds bear interest at rates ranging from 5% to 8.75% and are collateralized by the assets and revenues of the projects and any other revenues of the Service that are not otherwise pledged. All right, title and interest in the related property, plant and equipment remains with the Service until expiration or completion of the project and repayment of the revenue bonds. Thereafter, title to the assets passes to the governmental unit served by the projects. Maturities of principal (amounts expressed in thousands) are as follows:

Years ending June 30,	Amount
1983	$2,352
1984	1,633
1985	1,635
1986	837
1987	39
1988 and thereafter	2,923
	$9,419

B. *Higher Education and University Hospital Fund:*

Certain State Colleges have issued revenue bonds and mortgage loans payable for the acquisition of student housing and other facilities. Student fees and other user revenues collateralize the revenue bonds, and the mortgage loans payable are collateralized by real estate. Interest rates range from 3% to 6% on the revenue bonds and 6% to 10% on the mortgage loans payable. Maturities of principal (amounts expressed in thousands) are as follows:

Years ending June 30,	Amount
1983	$ 537
1984	596
1985	652
1986	680
1987	716
1988 and thereafter	19,476
	$22,657

13. Commitments:

At June 30, 1982, the Department of Transportation and Maryland Transportation Authority had commitments of approximately $191,500,000 and $15,700,000, respectively,for construction of highway and mass transit facilities. Approximately 63% of future expenditures related to the Department of Transportation commitments are expected to be reimbursed from proceeds of approved federal grants when the actual costs are incurred.

As of June 30, 1982, direct mortgage loan programs included in the enterprise funds had unfunded mortgage loan commitments aggregating approximately $133,092,000. These commitments are expected to be funded from existing program resources and proceeds from revenue bonds to be issued.

At June 30, 1982, the Maryland State Lottery had commitments of approximately $24,000,000 for services to be rendered relating principally to the operation of the lottery games.

Principally all full-time employees accrue annual leave based on the number of years employed up to a maximum of 25 days per calendar year. Earned annual leave may be accumulated up to a maximum of 35 days as of the end of each calendar year. As of June 30, 1982, accumulated earned but unused annual leave for employees whose activities are accounted for in governmental fund types aggregated approximately $51,000,000.

The State is insured for workers' compensation losses by the State Accident Fund under a contract which provides for the State to pay premiums based upon loss experience plus a proportionate share of administrative costs. In the event of termination of the contract, the State is obligated for any premium deficiency existing at the time of termination. As of June 30, 1982, anticipated workers' compensation claims in the amount of $23,000,000 applicable to State employees were accrued in nonexpendable trust fund.

The Board of Trustees of the State Universities and Colleges has entered into a commitment for the leasing of certain student facilities to be constructed during fiscal year 1983 on the campus of Towson State University at an estimated cost of approximately $29,000,000. Annual payments are anticipated to be approximately $3,800,000 for a period of 30 years.

14. Contingencies:

The State is party to legal proceedings, which normally recur in governmental operations. The legal proceedings are not, in the opinion of the Attorney General, likely to have a material adverse impact on the financial position of the affected funds.

As of June 30, 1982, mortgage loan insurance programs included in the enterprise funds were contingently liable as insurer of mortgage loans payable, or portions of mortgage loans payable, in an aggregate amount of approximately $69,000,000.

In August 1981, the Maryland Transportation Authority (Authority) entered into an agreement with the City of Baltimore to finance the non-federal share (approximately $90,000,000) of costs associated with the construction of a tunnel across the Patapsco River. The Authority expects to recover their costs through future net toll revenues of the tunnel. Tunnel construction began in 1980 and is expected to be completed in 1985. The agreement is contingent upon the ability of the Authority to obtain the requisite financing.

The Maryland Higher Education Loan Corporation (Corporation), as endorser of student loans, is contingently liable to lending institutions for the purchase of student loans in default. In the event of such default, the Corporation is liable to the lending institution for the unpaid principal amount of the loan plus unpaid interest, including interest accrued from the date of default until the date of purchase by the Corporation. At June 30, 1982 the Corporation had endorsed loans of approximately $305,000,000. These loans are covered by a Federal reinsurance agreement with the U.S. Department of Education. The agreement provides for the U.S. Department of Education to repurchase defaulted loans purchased by the Corporation at a rate based on past default performance (100% through March, 1982 and 90% thereafter).

The State receives significant financial assistance from the U. S. Government. Entitlement to the resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund which receives the grant. As of June 30, 1982, the State estimates that no material liabilities will result from such audits.

15. Retirement and Pension Systems:

As of June 30, 1982 the State of Maryland had employee retirement and pension programs as follows:

"Retirement Systems"—for employees, teachers and State police—retirement programs for substantially all State employees, teachers and State police who are not members of the State Pension Systems.

"Pension Systems"—for employees and teachers—retirement programs for employees and teachers hired after January 1, 1980 and prior employees who have elected to transfer from the Retirement Systems.

"Judges' Pension System"—a retirement program for State judges.

"Mass Transit Administration Pension Plan"—a retirement program for certain employees of the Mass Transit Administration.

All Retirement and Pension Systems, other than the Mass Transit Administration Pension Plan, are jointly contributory. Employee contributions are established at fixed percentages of total employee compensation, except for the Pension Systems where employee contributions are established at fixed percentages of employee compensation in excess of the F.I.C.A. taxable wage base. The Mass Transit Administration Pension Plan is a pay-as-you-go plan and requires no employee contributions.

The consulting actuary for the retirement and pension systems, other than the Mass Transit Administration Pension Plan, prepared valuations as of June 30, 1981 using the accrued benefits cost actuarial method. Retirement costs for 1982 on this basis aggregated approximately $321,000,000 for governmental fund types and $48,000,000 for the higher education and university hospital fund including amortization of unfunded liabilities over 40 years and interest thereon.

The consulting actuary for the Mass Transit Administration Pension Plan prepared a valuation as of June 30, 1982 using the entry age normal cost method. Retirement costs for 1982 on this basis aggregated approximately $3,600,000 for governmental fund types, including amortization of unfunded liabilities over 30 years.

Retirement expenditures applicable to governmental fund types for the year ended June 30, 1982 aggregated approximately $242,000,000. The excess of retirement costs over retirement expenditures, of approximately $82,000,000 is included in the general long-term debt account group.

Selected data (amounts expressed in thousands) compiled in accordance with Financial Accounting Standards Board Statement No. 35, with respect to each plan is as follows:

	State Contributions for the year ended June 30, 1982	Actuarial Present Value of Accumulated Plan Benefits as of June 30, 1981 (a)			Net assets available for Plan Benefits (b)
		Vested	Nonvested	Total	
Employees' Retirement System	$ 70,807	$1,181,345	$19,012	$1,200,357	$ 797,082
Teacher's Retirement System	162,232	2,276,818	33,965	2,310,783	1,475,065
State Police Retirement System	9,227	81,061	18,912	99,973	85,387
Employees' Pension System	22,419	48,132	9,223	57,355	116,721
Teachers' Pension System	11,882	27,399	5,528	32,927	80,800
Judges' Pension System	3,221	33,804	4,392	38,196	3,844
Mass Transit Administration Pension Plan	2,397	(c)	(c)	(c)	(c)
Total	$282,185	$3,648,559	$91,032	$3,739,591	$2,558,899

(a) An assumed rate of interest of 10% was used in determining the actuarial present value of accumulated plan benefits.

(b) Net assets at actuarially determined market value.

(c) The actuarial present value of accumulated plan benefits and the net assets available for plan benefits is not available for the Mass Transit Administration Pension Plan.

The actuarially computed value of the unfunded accrued liabilities (amounts expressed in thousands) for each plan is as follows:

	For the year ended June 30, 1981
Employees' Retirement System	$1,478,398
Teachers' Retirement System	3,045,051
State Police Retirement System	109,278
Employees' Pension System	43,477
Teachers' Pension System	48,486
Judges' Pension System	56,371
Mass Transit Administration Pension Plan	40,000
Total	$4,821,061

The actuarially computed value of the unfunded accrued liabilities is greater than the actuarial present value of accumulated plan benefits principally because the method for determining the actuarial present value of accumulated plan benefits does not take into consideration anticipated future wage and salary increases.

For asset and investment management purposes, the State combines the assets of all State administered retirement and pension systems into a pooled trust fund. Accordingly, the financial statements for the State administered pension funds are presented on a combined basis in the fiduciary fund type financial statements. Individual retirement systems' fund balances (amounts expressed in thousands) included in the combined fund balance of the pension funds as of June 30, 1982 are as follows:

	Fund Balance(a)	
	Employee Annuity Savings(b)	Retirement Accumulation Fund(c)
Employees' Retirement System	$295,703	$ 639,782
Teachers' Retirement System	577,315	1,158,686
State Police Retirement System	23,527	80,876
Employees' Pension System	3,837	170,400
Teachers' Pension System	4,212	111,023
Judges' Pension System	4,024	
Total	$908,618	$2,160,767

(a) The consulting actuary annually determines the changes in fund balances resulting from transfers of employees from the Employees' and Teachers' Retirement Systems to the Employees' and Teachers' Pension Systems and allocations of investment income. Such changes for the year ended June 30, 1982 will be determined as a result of an uncompleted actuarial valuation as of July 1, 1982 and, accordingly, the amounts of such changes will be included in the financial statements for the year ending June 30, 1983.

(b) Contributions made by members together with interest thereon are credited to the Employee Annuity Savings Fund.

(c) Contributions made by the employer and investment income thereon are credited to the Retirement Accumulation Fund.

Changes in the pension fund balances (amounts expressed in thousands) for the year ended June 30, 1982 were as follows:

	Employee Annuity Savings	Retirement Accumulation Fund
Balance, July 1, 1981	$869,767	$1,828,777
Increases:		
Member contributions	90,789	
Employer contributions	33	298,251
Investment and other income	67	276,119
Decreases:		
Benefit payments	(74)	(256,557)
Refunds	(35,085)	
Administrative expenses		(2,702)
Transfers	(16,879)	16,879
Balance, June 30, 1982	$908,618	$2,160,767

16. Contributed Capital:

The changes in contributed capital of the enterprise funds (amounts expressed in thousands) for the year ended June 30, 1982 are as follows:

	Economic Development		Maryland Transportation Authority	Maryland State Lottery	Maryland Environmental Service	State Use Industries	Total
	Insurance Programs	Loan Programs					
Balance, July 1, 1981	$49,500	$16,294	$4,331	$ 8,000	$18,832	$448	$ 97,405
Contributions		61,300		9,261	5,562		76,123
Depreciation on contributed assets						(14)	(14)
Balance, June 30, 1982	$49,500	$77,594	$4,331	$17,261	$24,394	$434	$173,514

17. Segment Information—Enterprise Funds:

Activity segments included in the enterprise funds are described in Note 1B. Selected financial information (amounts expressed in thousands) with respect to these segments is as follows:

	Segments							
	Economic Development		Warehouse Development and Rentals	Toll Facilities (Maryland Transportation Authority)	Lottery	Water Supply and Water Disposal	Manufacturing	Student Loan Insurance Program
	Insurance Programs	Loan Programs						
Operating revenues	$6,898	$62,176	$1,787	$ 77,420	$458,698	$20,918	$5,942	$3,642
Depreciation and amortization		780	198	119		8	100	9
Operating income (loss)	5,510	(2,407)	918	36,543	209,604	34	(105)	(3,712)
Operating grants		11,941						3,751
Operating interfund transfers:								
In								1,944
Out					208,341			
Net income (loss)	5,510	9,534	918	36,543	1,263	34	(105)	1,983
Current capital contributions		61,300			9,261	5,562		
Property, plant and equipment:								
Additions		47	110	10,927		5,494	686	101
Deletions		10						
Total assets	73,542	813,321	17,554	783,781	40,306	39,760	3,324	17,435
Bonds and other long-term liabilities:								
Payable from operating revenues			1,350	118,605		9,419		
Payable from other sources		510,163						
Total capital	70,605	137,502	4,399	660,171	19,188	25,045	1,136	8,578

COMBINING FINANCIAL STATEMENTS AND SCHEDULES

STATE OF MARYLAND
Combining Balance Sheet
Debt Service Funds
June 30, 1982
(Expressed in Thousands)

	General Obligation Bonds	Transportation Bonds	Total
Assets:			
Cash and short term investments	$ 32,926	$ 9,928	$ 42,854
Investments		285,475	285,475
Taxes receivable	5,668		5,668
Loans and notes receivable, net	96,114		96,114
Loans to other funds	11,350		11,350
Total assets	$146,058	$295,403	$441,461
Liabilities:			
Accounts payable and accrued liabilities		$ 1,460	$ 1,460
Matured bonds and interest coupons payable	$ 1,687		1,687
Total liabilities	1,687	1,460	3,147
Fund Equity:			
Fund balance:			
Reserved for:			
Loans and notes receivable	24,682		24,682
Loans to other funds	11,350		11,350
Unreserved:			
Designated for:			
General long-term obligation bond debt service	108,339		108,339
Transportation bond debt service		293,943	293,943
Total fund equity	144,371	293,943	438,314
Total liabilities and fund equity	$146,058	$295,403	$441,461

STATE OF MARYLAND

Combining Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances Debt Service Funds for the year ended June 30, 1982

(Expressed in Thousands)

	General Obligation Bonds	Transportation Bonds	Total
Revenues:			
Other taxes	$104,404		$104,404
Interest and other investment income	7,580	$ 21,838	29,418
Other	483		483
Total revenues	112,467	21,838	134,305
Expenditures:			
Debt service:			
Principal retirement	184,575	255	184,830
Interest	126,797	39,686	166,483
Total expenditures	311,372	39,941	351,313
Deficiency of revenues over expenditures	(198,905)	(18,103)	(217,008)
Other sources of financial resources:			
Operating transfers in	179,841	72,843	252,684
Total other sources of financial resources	179,841	72,843	252,684
Excess (deficiency) of revenues over expenditures and other sources of financial resources	(19,064)	54,740	35,676
Fund balance, July 1, 1981	163,435	239,203	402,638
Fund balance, June 30, 1982	$144,371	$293,943	$438,314

STATE OF MARYLAND
Combining Balance Sheet
Enterprise Funds
June 30, 1982
(Expressed in Thousands)

	Economic Development		Maryland Food Center Authority	Maryland Transportation Authority	Maryland State Lottery	Maryland Environmental Service	State Use Industries	Maryland Higher Education Loan Corporation	Total
	Insurance Programs	Loan Programs							
Assets:									
Cash and short term investments	$25,250	$235,891	$ 726	$ 2,563	$19,035	$ 2,860	$ 2	$ 595	$ 286,922
Investments	46,592	80,708	4,331	2,588	16,326			14,954	165,499
Intergovernmental receivables						231		1,197	1,428
Other accounts receivables, net	6			440	4,917	2,267	489	580	8,699
Inventories				167			1,558		1,725
Prepaid expenses			8			60			68
Loans and notes receivables	520	471,955	266						472,741
Property, plant and equipment, net		2,585	12,223	679,495		34,342	1,275	109	730,029
Restricted assets				94,713					94,713
Other assets	1,174	22,182		3,815	28				27,199
Total assets	$73,542	$813,321	$17,554	$783,781	$40,306	$39,760	$3,324	$17,435	$1,789,023
Liabilities:									
Accounts payable and accrued liabilities	$ 88	$ 24,226	$ 413	$ 1,374	$ 1,200	$ 5,296	$2,188	$ 895	$ 35,680
Lottery prizes					18,436				18,436
Accrued insurance losses	1,975								1,975
Other liabilities		7,026						1,632	8,658
Deferred revenue	874		42	458	1,482			6,330	9,186
Loans from other funds			11,350						11,350
Notes payable		134,404							134,404
Liabilities payable from restricted assets				3,173					3,173
Revenue bonds payable		510,163	1,350	118,605		9,419			639,537
Total liabilities	2,937	675,819	13,155	123,610	21,118	14,715	2,188	8,857	862,399
Capital:									
Contributed capital	49,500	77,594		4,331	17,261	24,394	434		173,514
Retained earnings:									
Reserved		3,001		91,540	1,927			270	96,738
Unreserved	21,105	56,907	4,399	564,300		651	702	8,308	656,372
Total capital	70,605	137,502	4,399	660,171	19,188	25,045	1,136	8,578	926,624
Total liabilities and capital	$73,542	$813,321	$17,554	$783,781	$40,306	$39,760	$3,324	$17,435	$1,789,023

STATE OF MARYLAND

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

Enterprise Funds

for the year ended June 30, 1982

(Expressed in Thousands)

	Economic Development		Maryland Food Center Authority	Maryland Transportation Authority	Maryland State Lottery	Maryland Environmental Service	State Use Industries	Maryland Higher Education Loan Corporation	Total
	Insurance Programs	Loan Programs							
Operating revenues:									
Lottery ticket sales					$457,436				$457,436
Charges for services and sales	$ 1,634	$ 147	$1,053	$ 65,031		$20,847	$5,927	$ 761	95,400
Interest and other investment income	5,254	58,590	662	12,171		64		1,799	78,540
Other	10	3,439	72	218	1,262	7	15	1,082	6,105
Total operating revenues	6,898	62,176	1,787	77,420	458,698	20,918	5,942	3,642	637,481
Operating expenses:									
Prizes and claims					210,935				210,935
Commissions and bonuses					23,360				23,360
Cost of sales and services			12				5,256	6,090	11,358
Operation and maintenance of facilities		12,752		30,197		19,069			62,018
General and administrative	853	2,902	575	2,700	14,799	1,531	691	1,212	25,263
Interest		47,870	84	7,861		276			56,091
Depreciation and amortization		780	198	119		8	100	9	1,214
Other	535	279						43	857
Total operating expenses	1,388	64,583	869	40,877	249,094	20,884	6,047	7,354	391,096
Operating income (loss) before operating grants and transfers	5,510	(2,407)	918	36,543	209,604	34	(105)	(3,712)	246,385
Operating grants		11,941						3,751	15,692
Operating transfers in								1,944	1,944
Operating transfers out					(208,341)				(208,341)
Net income (loss)	5,510	9,534	918	36,543	1,263	34	(105)	1,983	55,680
Add: Depreciation of cost of assets acquired from contributed capital							14		14
Increase (decrease) in retained earnings	5,510	9,534	918	36,543	1,263	34	(91)	1,983	55,694
Retained earnings, July 1, 1981	15,595	50,374	3,481	619,297	664	617	793		690,821
Adjustment								6,595	6,595
Retained earnings, July 1, 1981, as restated	15,595	50,374	3,481	619,297	664	617	793	6,595	697,416
Retained earnings, June 30, 1982	$21,105	$59,908	$4,399	$655,840	$ 1,927	$ 651	$ 702	$8,578	$753,110

STATE OF MARYLAND

Combining Statement of Changes in Financial Position

Enterprise Funds

for the year ended June 30, 1982

(Expressed in Thousands)

	Economic Development		Maryland Food Center Authority	Maryland Transportation Authority	Maryland State Lottery	Maryland Environmental Service	State Use Industries	Maryland Higher Education Loan Corporation	Total
	Insurance Programs	Loan Programs							
Sources of financial resources:									
Operations:									
Net income (loss)	$ 5,510	$ 9,534	$ 918	$36,543	$ 1,263	$ 34	$ (91)	$1,983	$ 55,694
Expenses not requiring current outlay of financial resources:									
Depreciation and amortization		780	198	110		8	100	9	1,214
Other			12				47		59
Total sources of financial resources from operations	5,510	10,314	1,128	36,662	1,263	42	56	1,992	56,967
Increase (decrease) in inventories				(42)			405		363
Retirement of fixed assets		10							10
Increase (decrease) in accounts payable and accrued liabilities	53	15,634	21	(538)	126	1,072	(266)	540	16,672
Increase in accrued insurance losses	544								544
Increase in loans from other funds			34						34
Increase in notes payable		71,712							71,712
Issuance of revenue bonds payable		103,960				720			104,680
Contributed capital		61,300			9,261	5,562			76,123
Total sources of financial resources	6,137	262,930	1,183	36,082	10,650	7,396	195	2,532	327,105
Uses of financial resources:									
Increase (decrease) in investments	7,164	14,252	591	(1,630)	(1,576)			3,778	22,579
Increase (decrease) in other accounts, loans and notes receivable	294	43,074	(35)	(4)	(852)	288	(491)	3	42,277
Acquisition of fixed assets		47	110	10,927		5,494	686	101	17,365
Increase in restricted assets				22,484					22,484
Decrease in due to other funds		1,797							1,797
Decrease in accounts payable to political subdivisions						419			419
Decrease in lottery prizes					663				663
Repayment of notes payable		23,612							23,612
Decrease in liabilities payable from restricted assets				732					732
Decrease in general obligation bonds payable		45,980							45,980
Retirement of revenue bonds payable		5,183	400	905		3,086			9,574
Other, net	922	4,840	(23)	753	(457)	(957)		(1,944)	3,134
Total uses of financial resources	8,380	138,785	1,043	34,167	(2,222)	8,330	195	1,938	190,616
Net increase (decrease) in unrestricted cash and short term investments	$(2,243)	$124,145	$ 140	$ 1,915	$12,872	$ (934)	$ -0-	$ 594	$136,489

STATE OF MARYLAND
Combining Balance Sheet
Fiduciary Fund Types
June 30, 1982
(Expressed in Thousands)

	Expendable Trust Funds						Agency Funds				
	Deferred Compensation Plan	Refunded Transportation Debt	Employment Security Administration	Federal Payroll Taxes	Nonexpendable Trust Fund	Pension Trust Fund	Patient and Prisoner Accounts	Local Highway Grants	Local Admissions and Amusement Taxes	Local Income Taxes	Total
Asset:											
Cash and short term investments		$ 127	$ (5,052)	$(15,293)	$ 36,044		$1,545	$7,843	$4,568	$ 73,156	$ 102,938
Investments	$104,913	238,811		41,741	91,874	$3,056,200	2,498				3,536,037
Amount on deposit with U.S. Treasury			320,426								320,426
Taxes receivable			39,207								39,207
Other accounts receivable, net	833			10,303	1,584	39,651					52,371
Due from other funds				8,761						113,740	122,501
Inventories					34						34
Property, plant and equipment, net					139						139
Total assets	$105,746	$238,938	$354,581	$45,512	$129,675	$3,095,851	$4,043	$7,843	$4,568	$186,896	$4,173,653
Liabilities:											
Accounts payable and accrued liabilities			$ 2,503	$45,512		$ 24,594					$ 72,609
Accounts payable to political subdivisions								$7,843	$4,568	$ 54,711	67,122
Local income tax refunds										132,185	132,185
Accrued insurance losses					$ 86,000						86,000
Other liabilities					2,369	1,872	$4,043				8,284
Deferred revenue					8,889						8,889
Total liabilities			2,503	45,512	97,258	26,466	4,043	7,843	4,568	186,896	375,089
Fund balance:											
Reserved for:											
Pension benefits						3,069,385					3,069,385
Workers' compensation benefits					37,656						37,656
Unemployment compensation benefits			352,078								352,078
Unrealized market depreciation on investments					(5,239)						(5,239)
Retirement of refunded debt		$238,938									238,938
Unreserved:											
Designated for deferred compensation benefits	$105,746										105,746
Total fund balance	105,746	238,938	352,078		32,417	3,069,385					3,798,564
Total liabilities and fund balance	$105,746	$238,938	$354,581	$45,512	$129,675	$3,095,851	$4,043	$7,843	$4,568	$186,896	$4,173,653

STATE OF MARYLAND

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Expendable Trust Funds for the year ended June 30, 1982

(Expressed in Thousands)

	Deferred Compensation Plan	Refunded Transportation Debt	Employment Security Administration	Federal Payroll Taxes	Total
Revenues:					
Other taxes			$131,617		$131,617
Interest and other investment income	$ 7,513	$ 14,055		$ 5,088	26,656
Contributions	19,794			462,155	481,949
Federal revenue			46,460		46,460
Total revenues	27,307	14,055	178,077	467,243	686,682
Expenditures:					
Current:					
Human resources			311,180		311,180
Personnel and retirement	10,143			467,243	477,386
Refunded bond debt service		39,290			39,290
Total expenditures	10,143	39,290	311,180	467,243	827,856
Excess (deficiency) of revenues over expenditures	17,164	(25,235)	(133,103)		(141,174)
Fund balance, July 1, 1981	88,582	264,173	485,181		837,936
Fund balance, June 30, 1982	$105,746	$238,938	$352,078	$ -0-	$696,762

STATE OF MARYLAND

Combining Statement of Changes in Assets and Liabilities—All Agency Funds for the year ended June 30, 1982

(Expressed in Thousands)

	Balance July 1, 1981	Additions	Deletions	Balance June 30, 1982
Patient and Prisoner Accounts				
Assets:				
Cash and short term investments	$ 1,819	$ 10,968	$ 11,242	$ 1,545
Investments	2,554	1,035	1,091	2,498
Other accounts receivable, net	185		185	
Total assets	$ 4,558	$ 12,003	$ 12,518	$ 4,043
Liabilities:				
Accounts payable and accrued liabilities	$ 172		$ 172	
Other liabilities	4,386	$ 13,563	13,906	$ 4,043
Total liabilities	$ 4,558	$ 13,563	$ 14,078	$ 4,043
Local Highway Grants				
Assets:				
Cash and short term investments	$ 4,488	$ 234,479	$ 231,124	$ 7,843
Liabilities:				
Accounts payable to political subdivisions	$ 4,488	$ 234,479	$ 231,124	$ 7,843
Local Admissions and Amusement Taxes				
Assets:				
Cash and short term investments	$ 3,699	$ 17,107	$ 16,238	$ 4,568
Liabilities:				
Accounts payable and accrued liabilities	$ 31		$ 31	
Accounts payable to political subdivisions	3,668	$ 17,107	16,207	$ 4,568
Total liabilities	$ 3,699	$ 17,107	$ 16,238	$ 4,568
Local Income Taxes				
Assets:				
Cash and short term investments	$ (42,017)	$ 763,718	$ 648,545	$ 73,156
Due from other funds	195,144	113,740	195,144	113,740
Total assets	$153,127	$ 877,458	$ 843,689	$186,896
Liabilities:				
Accounts payable to political subdivisions	$ 48,408	$ 54,711	$ 48,408	$ 54,711
Local income tax refunds	104,719	925,866	898,400	132,185
Total liabilities	$153,127	$ 980,577	$ 946,808	$186,896
Totals—All Agency Funds				
Assets:				
Cash and short term investments	$ (32,011)	$1,026,272	$ 907,149	$ 87,112
Investments	2,554	1,035	1,091	2,498
Other accounts receivable, net	185		185	
Due from other funds	195,144	113,740	195,144	113,740
Total assets	$165,872	$1,141,047	$1,103,569	$203,350
Liabilities:				
Accounts payable and accrued liabilities	$ 203		$ 203	
Accounts payable to political subdivisions	56,564	$ 306,297	295,739	$ 67,122
Local income tax refunds	104,719	925,866	898,400	132,185
Other liabilities	4,386	13,563	13,906	4,043
Total liabilities	$165,872	$1,245,726	$1,208,248	$203,350

STATE OF MARYLAND
Schedule of Fixed Assets and Accumulated Depreciation
June 30, 1982
(Expressed in Thousands)

	Land and Improvements	Structure and Improvements	Equipment	Construction in Progress	Total Cost	Accumulated Depreciation	Total Cost Less Accumulated Depreciation
Proprietary Fund Type (By Fund)							
Economic Development—Loan Programs	$ 380	$ 3,001	$ 192		$ 3,573	$ 988	$ 2,585
Maryland Food Center Authority	3,616	9,445	90		13,151	928	12,223
Maryland Transportation Authority		679,495			679,495		679,495
Maryland Environmental Service		32,691	319	$ 1,349	34,359	17	34,342
State Use Industries		551	2,338		2,889	1,614	1,275
Maryland Higher Education Loan Corporation			136		136	27	109
Total	$ 3,996	$ 725,183	$ 3,075	$ 1,349	$ 733,603	$ 3,574	$ 730,029
Fiduciary Fund Types							
Nonexpendable Trust Fund			$ 250		$ 250	$ 111	$ 139
General Fixed Assets (By Function)							
General government	$ 21,008	$ 183,413	$ 39,193	$ 42,143	$ 285,757		$ 285,757
Education		13,563	4,484		18,047		18,047
Human resources	356	5,167	3,184		8,707		8,707
Health and mental hygiene	18,985	220,868	37,152	15,525	292,530		292,530
Transportation	109,360	318,318	125,518	669,828	1,223,024		1,223,024
Public safety and judicial	11,291	102,242	43,284	28,804	185,621		185,621
Economic and community development	3,403	929	1,044	1,136	6,512		6,512
Natural resources and recreation	157,854	23,338	17,437	11,390	210,019		210,019
Agriculture	27	1,018	3,191	7,361	11,597		11,597
Personnel and retirement			788		788		788
Total	$322,284	$868,856	$275,275	$776,187	$2,242,602		$2,242,602
Higher Education and University Hospital	$ 48,424	$685,536	$252,547	$ 86,135	$1,072,642	$25,745	$1,046,897

STATE OF MARYLAND
Schedule of Changes in General Fixed Assets by Function
for the fiscal year ended June 30, 1982
(Expressed in Thousands)

	Balance July 1, 1981	Additions	Deletions	Transfers In (Out)	Balance June 30, 1982
Function:					
General government	$ 246,321	$ 40,462	$ 551	$ (475)	$ 285,757
Education	17,869	372	123	(71)	18,047
Human resources	8,251	635	179		8,707
Health and mental hygiene	280,349	13,023	841	(1)	292,530
Transportation	1,076,798	151,024	4,748	(50)	1,223,024
Public safety and judicial	177,451	10,099	2,541	612	185,621
Economic and community development	6,259	306	53		6,512
Natural resources and recreation	201,097	11,004	2,067	(15)	210,019
Agriculture	4,867	6,934	204		11,597
Personnel and retirement	593	195			788
Total	$2,019,855	$234,054	$11,307	$ -0-	$2,242,602

STATE OF MARYLAND

Schedule of Estimated and Actual Revenues by Source—Budgetary Basis

for the year ended June 30, 1982

(Expressed in Thousands)

Source	Annual Budgeted Funds						Capital Projects Fund	Other Funds	Total
	General Fund		Special Fund		Federal Fund				
	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Actual Revenues
Taxes:									
Property tax		$ 143	$ 112,206	$ 109,607				$ 26,110	$ 135,860
Franchise and corporation tax	$ 87,201	95,246	5,930	5,942					101,188
Death taxes	26,748	25,800							25,800
Recordation tax	183	112						99	211
Admission and amusement tax			723	682					682
Alcoholic beverages tax	21,570	21,144	10,973	10,975					32,119
Motor vehicle fuel tax			179,000	192,032					192,032
Income taxes	1,390,424	1,413,216	76,261	70,991					1,484,207
Retail sales and use taxes	804,321	797,397							797,397
Cigarette tax	54,375	54,088	15,963	15,905					69,993
Other tobacco taxes		195	23	84					279
Motor vehicle titling taxes			155,000	139,610					139,610
Insurance company taxes	67,395	63,122		26					63,148
Horse racing taxes	13,061	12,212	5,935	4,822					17,034
Shellfish taxes			1,742	1,025					1,025
Boxing, wrestling or sparring taxes		279							279
Apple tax			50	32					32
Boat titling tax			5,385	4,246					4,246
Energy generation tax			6,093	6,231					6,231
Emergency telephone system tax			1,997	1,992					1,992
Total taxes	2,465,278	2,482,954	577,281	564,202				26,209	3,073,365
Other:									
Licenses and permits	7,753	8,016	108,256	98,952				21	106,989
Fees for services	17,790	19,715	110,832	119,813				46,154	185,682
Fines and costs	26,060	26,333	253	603				2,480	29,416
Sales to the public	936	1,236	29,995	29,927		$ 31		217,003	248,197
Commissions and royalties	309	69	10,121	9,527		5		15	9,616
Rentals	717	623	41,528	35,658				763	37,044
Interest on investments	75,000	79,465	9,409	27,583			$ 3,094	70,275	180,417
Interest on loan repayments			3,274	5,474				5,024	10,498
Miscellaneous	27,746	5,744	3,422	14,438		570		715	21,467
University of Maryland	896	951	300,995	289,248	$ 88,156	83,650		9,227	383,076
Federal reimbursements and grants	49,700	46,921	35,925	33,406	1,278,041	1,066,710		31,510	1,178,547
Other reimbursements	32,506	29,164	64,367	32,976		3,271		5,504	70,915
Provisions for refunds				9				467	476
Bond issues:									
State—general purpose				309			188,180		188,489
Department of Transportation—Consolidated Transportation Bonds								60,037	60,037
Loan repayments			40,000	86,105				144	86,249
State reimbursements	198,504	203,453	15,090	136,134	91,652	108,858	6,745	93,116	548,306
Trust funds		5	132,734	2,822				9,814	12,641
Revolving accounts		9	2,117	1,053		337		8,257	9,656
Reduction of expenditures	1	1,779	971	86		416		1,545	3,826
Advance collections		2		113					115
Total revenues	$2,903,196	$2,906,439	$1,486,570	$1,488,438	$1,457,849	$1,263,848	$198,019	$588,280	$6,445,024

STATE OF MARYLAND

Schedule of Budget and Actual Expenditures and Encumbrances by Major Function—Budgetary Basis

for the year ended June 30, 1982

(Expressed in Thousands)

Expenditures and Encumbrances by Major Function	Annual Budgeted Funds						Capital Projects Fund	Other Funds	Total
	General Fund		Special Fund		Federal Fund				
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Actual	Actual	Actual
Payments of revenue to civil divisions of the State	$ 117,100	$ 116,258	$ 39,106	$ 38,038					$ 154,296
Public debt	55,000	55,000	256,372	256,372					311,372
Legislative	16,573	16,306			$ 7	$ 7			16,313
Judicial review and legal	56,010	55,796	180	180	1,112	1,048		$ 3,288	60,312
Executive and administrative control	14,537	14,221	491	489	23,910	22,814		1,333	38,857
Financial and revenue administration	87,105	82,719	30,318	28,786				217,487	328,992
Budgetary and fiscal administration	3,168	3,156							3,156
Personnel administration, retirement and employee relations	406,089	406,035	6,378	6,301	371	225		32,120	444,681
State planning	2,943	2,940	662	508	2,178	1,553		112	5,113
General services	17,544	17,544	446	446	467	397		207	18,594
Transportation and highways			704,914	653,623	531,489	436,499		120,662	1,210,784
Natural resources and recreation	22,702	22,675	27,377	25,721	13,269	11,811		1,404	61,611
Agriculture	6,812	6,792	7,705	7,550	1,356	1,174		4,774	20,290
Health, hospitals and mental hygiene	645,320	630,560	17,937	17,329	284,259	250,471		768	899,128
Human resources	213,827	207,844	402	402	311,635	265,401		(2,114)	471,533
Licensing and regulation	12,987	12,920	3,561	1,482	2,111	2,102		124	16,628
Public safety and correctional services	154,418	154,402	13,537	10,993	5,693	2,362		11,931	179,688
Public education	1,120,578	1,113,582	371,787	359,525	276,306	250,080		34,835	1,758,022
Economic and community development	11,167	11,166	5,397	4,906	3,688	2,372		29,151	47,595
Construction reimbursement								2,295	2,295
Loan accounts							$277,522		277,522
Miscellaneous								8,473	8,473
Reversions:	(38,500)								
Current year reversions									
Prior year reversions		(10,722)		(1,447)		(3,977)			(16,146)
Total expenditures and encumbrances	$2,925,383	$2,919,194	$1,486,570	$1,411,204	$1,457,849	$1,244,339	$277,522	$466,850	$6,319,109

STATE OF MARYLAND
Schedule of Changes in Fund Balances—Budgetary Basis
for the year ended June 30, 1982
(Expressed in Thousands)

	General Fund	Special Fund: Other Special	Special Fund: Debt Service	Federal Fund	Capital Projects Fund	Other Funds	Total
Fund balance, July 1, 1981	$ 170,915	$ 207,881	$ 40,052		$ 95,419	$798,683	$1,312,950
Adjustments to beginning fund balance[1]						(80,617)[1]	(80,617)
Fund balance, July 1, 1981, as restated	170,915	207,881	40,052		95,419	718,066	1,232,333
Increase:							
Revenues	2,906,439	1,168,637	319,801	$1,263,848	198,019	588,280	6,445,024
Decrease:							
Appropriations	2,963,880	1,230,198	256,372	1,457,849			
Less: Current year reversions	(33,964)	(73,919)		(209,533)			
Prior year reversions	(10,722)	(1,447)		(3,977)			
Expenditures and encumbrances	2,919,194	1,154,832	256,372	1,244,339	277,522	466,850	6,319,109
Changes to encumbrances during fiscal year 1982	1,530	(11,696)		14,374			4,208
Expenditures	2,920,724	1,143,136	256,372	1,258,713	277,522	466,850	6,323,317
Transfers in (out)	18,605	(949)	9,131	(5,135)	40,781	(62,433)	
Fund balance, June 30, 1982	$ 175,235	$ 232,433	$112,612	$ –0–	$ 56,697	$777,063	$1,354,040
Reserved for encumbrances	19,533	35,096		21,920	210,208	4,186	290,963
Appropriated	137,561						137,561
Unappropriated	18,121	197,337	112,612	(21,920)	(153,511)	772,877	925,516
Total	$ 175,235	$ 232,433	$112,612	$ –0–	$ 56,697	$777,063	$1,354,040

[1] Beginning fiscal year 1982, the accounting treatment for local income tax was changed to recognize the status of the activity as an agency fund "liability". In prior years the accounting treatment accorded this activity was consistent with that applied to general fund activity. The beginning fund balance has been restated to reflect this change and other minor reclassifications.

STATE OF MARYLAND

Schedule of Funds Transferred to Political Subdivisions for the year ended June 30, 1982[1]

(Expressed in Thousands)

Subdivision[2]	State Sources				Other Sources				
	Shared Revenues	Direct Grants and Appropriations	Debt Service	Total	Federal Funds	State Administered Local Revenue	Total	Assessed Value of Real and Personal Property[2]	Amount Per $100 of Assessed Value
Allegany	$ 2,230	$ 24,504	$ 4,975	$ 31,709	$ 6,076	$ 7,671	$ 45,456	$ 610,046	$ 7.45
Anne Arundel	10,098	109,037	19,346	138,481	17,578	64,713	220,772	3,682,521	6.00
Baltimore County	18,517	158,390	13,806	190,713	19,680	126,508	336,901	6,604,966	5.10
Calvert	1,380	10,312	3,386	15,078	2,880	2,159	20,117	1,079,305	1.86
Caroline	1,432	8,746	1,787	11,965	2,465	2,166	16,596	140,204	11.84
Carroll	3,495	27,534	5,018	36,047	4,006	14,266	54,319	960,317	5.66
Cecil	2,261	21,794	2,548	26,603	2,988	6,912	37,503	450,315	8.33
Charles	2,680	30,707	6,200	39,587	5,348	9,817	54,752	873,559	6.27
Dorchester	1,700	9,947	3,190	14,837	3,449	2,855	21,141	255,687	8.27
Frederick	3,704	35,117	7,473	46,294	5,492	17,318	69,104	1,129,200	6.12
Garrett	1,713	10,753	2,150	14,616	2,804	2,329	19,749	262,066	7.54
Harford	3,925	49,858	8,657	62,440	7,202	21,081	90,723	1,288,929	7.04
Howard	3,800	34,611	9,166	47,577	3,564	27,903	79,044	1,744,352	4.53
Kent	831	4,921	1,023	6,775	1,432	1,819	10,026	168,368	5.95
Montgomery	14,148	131,674	15,050	160,872	20,207	150,134	331,213	9,344,436	3.54
Prince George's	14,056	199,310	15,382	228,748	35,080	104,980	368,808	6,093,352	6.05
Queen Anne's	1,392	8,350	1,937	11,679	1,947	2,928	16,554	308,188	5.37
St. Mary's	1,881	20,021	3,316	25,218	4,596	7,013	36,827	494,515	7.45
Somerset	1,027	6,804	2,514	10,345	2,653	1,300	14,298	132,660	10.78
Talbot	1,165	5,729	776	7,670	1,603	2,753	12,026	381,116	3.16
Washington	3,207	32,332	5,112	40,651	6,388	13,129	60,168	938,308	6.41
Wicomico	2,461	20,652	3,020	26,133	5,327	7,150	38,610	617,732	6.25
Worcester	1,593	6,831	2,153	10,577	2,630	2,109	15,316	712,967	2.15
Baltimore City	74,467	381,457	23,737	479,661	154,374	84,949	718,984	4,004,884	17.95
Total	$173,163	$1,349,391	$ 161,722	$1,684,276	$ 320,769	$683,962	$ 2,689,007	$ 42,277,993	

[1] In addition to the amount shown for counties and Baltimore City, $33,169,000 was distributed to municipalities within the counties.

[2] Source: *Thirty-Eighth Report of the State Department of Assessments and Taxation*, dated January 1982. Amounts shown are the local subdivisions' assessable base only.

STATE OF MARYLAND
Schedule of Taxes Receivable from Collectors of State Property Taxes
June 30, 1982
(Expressed in Thousands)

Political Subdivision	Taxes Receivable		
	Current Year	Prior Years	Total
Allegany	$ 108	$ 70	$ 178
Anne Arundel	437	74	511
Baltimore County	307	195	502
Calvert	79	4	83
Caroline	31	2	33
Carroll	151	8	159
Cecil	54	12	66
Charles	40	22	62
Dorchester	86	25	111
Frederick	354	41	395
Garrett	67	5	72
Harford	53	13	66
Howard	409	71	480
Kent	42	1	43
Montgomery	589	186	775
Prince George's	325	262	587
Queen Anne's	6		6
St. Mary's	93	27	120
Somerset	39	17	56
Talbot	13	3	16
Washington	192	32	224
Wicomico	209	58	267
Worcester	115	17	132
Baltimore City	482	242	724
Total	$ 4,281	$ 1,387	$ 5,668

Source: Miscellaneous Revenue Division, State Comptroller's Office.

STATE OF MARYLAND
Schedule of Estimated Revenues—Budgetary Basis
for the year ending June 30, 1983
(Expressed in Thousands)

	General Fund	Special Fund	Federal Fund	Total
Property tax		$ 132,788[1]		$ 132,788
Franchise and corporation taxes	$ 96,699	6,397		103,096
Death taxes	24,748			24,748
Alcoholic beverage taxes and licenses	20,350	10,400		30,750
Admission taxes		729		729
Motor vehicle fuel tax and licenses		239,000		239,000
Income taxes	1,527,223	67,711		1,594,934
Retail sales and use taxes and licenses	884,614			884,614
State tobacco tax and licences	54,300	15,700		70,000
Motor vehicle tax and licenses	400	279,900		280,300
Insurance company taxes, licenses and fees	70,000			70,000
Horse race taxes and licenses	14,522	4,295		18,817
District courts fines and costs	27,000			27,000
Interest on investments	65,000	7,500		72,500
Hospital patient recoveries	86,950			86,950
Miscellaneous taxes, fees and other revenues	20,525	2,587		23,112
Legislative	332			332
Judicial review and legal	9,035	183	$ 740	9,958
Executive and administrative control		442	17,688	18,130
Financial and revenue administration	173,670	10,639		184,309
Budgetary and fiscal administration	500			500
Personnel administration, retirement and employee relations		10,672		10,672
State planning		652	843	1,495
General services	53	437	160	650
Transportation and highways		226,988	508,980	735,968
Natural resources and recreation	25	38,802	9,027	47,854
Agriculture	41	6,624	1,802	8,467
Health, hospitals and mental hygiene	5,214	17,037	282,396	304,647
Human resources	1,278	442	291,987	293,707
Licensing and regulation	4,965	3,265	2,141	10,371
Public safety and correctional services	362	16,519	2,132	19,013
Public education	1,272	395,145	266,270	662,687
Economic and community development		12,355	12,493	24,848
Total	3,089,078	1,507,209	1,396,659	5,992,946
Transfer from other funds	14,000			14,000
Deductions from motor vehicle revenue:				
Comptroller of the treasury—clerks of court deficiency fund		(2,000)		(2,000)
Motor vehicle administration—debt service		(16)		(16)
Total estimated revenues	$ 3,103,078	$ 1,505,193	$ 1,396,659	$6,004,930[2]

Source: *Fiscal Digest*, fiscal year 1983.

[1] Recorded as Debt Service Fund for accounting purposes.

[2] Amounts are estimated at July 1, 1982 and do not reflect revisions, if any, subsequent to that date.

STATE OF MARYLAND

Schedule of General, Special and Federal Fund Appropriations—Budgetary Basis for the year ending June 30, 1983

(Expressed in Thousands)

Functions	General Fund	Special Fund	Federal Fund	Total
Payments of revenue to civil divisions of the State	$ 119,650	$ 38,552		$ 158,202
Public debt	64,000	132,788[1]		196,788
Legislative	17,720			17,720
Judicial review and legal	57,607	183	$ 740	58,530
Executive and administrative control	23,706	442	17,688	41,836
Financial and revenue administration	90,266	15,644		105,910
Budgetary and fiscal administration	3,131			3,131
Personnel administration, retirement and employee relations	552,261	10,672		562,933
State planning	3,126	652	843	4,621
General services	21,016	437	160	21,613
Transportation and highways		748,493	508,980	1,257,473
Natural resources and recreation	23,450	39,711	9,027	72,188
Agriculture	8,044	7,027	1,802	16,873
Health, hospitals and mental hygiene	693,001	17,037	282,396	992,434
Human resources	225,351	442	291,987	517,780
Licensing and regulation	13,263	3,265	2,141	18,669
Public safety and correctional services	166,012	21,048	2,132	189,192
Public education	1,163,736	395,495	266,270	1,825,501
Economic and community development	15,299	12,355	12,493	40,147
Total appropriations	3,260,639	1,444,243	1,396,658	6,101,541[2]
Plus: Net increase in special fund revenue due to current revision in revenue estimates; Department of Transportation undistributed revenue		60,950		60,950
Grand total appropriations	$3,260,639	$1,505,193	$1,396,659	$6,162,491

Source: *Fiscal Digest*, fiscal year 1983.

[1] Recorded as Debt Service Fund for accounting purposes.

[2] Amounts are reported at July 1, 1982 and do not reflect revisions, if any, subsequent to that date.

STATISTICAL SECTION

STATE OF MARYLAND

Schedule of General Government Revenues by Source, Expenditures by Function and Other Sources (Uses) of Financial Resources and Changes in Fund Balances General, Special Revenue, Debt Service and Capital Projects Funds Last Eight Fiscal Years[1]

(Expressed in Thousands)

	Year ended June 30,							
	1982	1981	1980	1979	1978	1977	1976	1975
Revenues:								
Income taxes	$ 1,452,355	$1,363,909	$1,219,352	$1,107,459	$ 996,920	$908,254	$ 834,592	$ 743,700
Retail sales and use taxes	797,397	753,674	712,815	699,188	628,059	465,858	419,412	396,019
Motor vehicle taxes and fees	436,633	417,302	414,178	431,010	415,057	372,294	345,509	322,764
Other taxes	510,021	478,221	438,558	395,457	354,245	360,193	289,334	269,343
Other licenses and fees	49,426	38,463	35,882	35,732	36,404	32,928	30,137	26,148
Charges for services	193,157	174,986	143,331	117,219	190,156	171,167	143,778	125,449
Interest and other investment income	124,999	115,358	111,239	79,554	34,807	22,345	16,577	26,902
Other	80,872	107,517	123,157	135,679	41,028	16,102	11,790	24,303
Federal revenue	928,906	1,029,790	996,053	881,964	834,945	782,711	680,654	586,097
Total revenue	4,573,766	4,479,220	4,194,565	3,883,262	3,531,621	3,131,852	2,771,783	2,520,725
Expenditures:								
Current:								
General government	205,972	197,909	248,079	147,529	202,922	181,996	160,630	126,507
Education	934,163	891,961	816,402	740,997	693,981	631,146	586,558	546,031
Human resources	465,299	510,244	426,150	375,058	350,067	324,843	303,170	256,411
Health and mental hygiene	896,743	860,286	769,676	657,604	590,447	531,074	499,348	449,575
Transportation	666,070	655,324	619,629	571,347	614,773	565,283	551,004	553,124
Public safety and judicial	286,223	270,379	266,028	271,390	207,704	195,347	186,110	152,343
Economic and community development	17,238	18,464	13,754	10,719	9,457	8,431	8,548	7,815
Natural resources and recreation	53,974	56,238	42,022	44,809	43,577	39,050	37,255	36,151
Agriculture	16,662	13,232	9,971	9,162	8,280	6,871	6,439	6,109
Personnel and retirement	334,725	333,892	323,618	308,033	260,790	223,781	179,841	153,880
Intergovernmental	376,043	466,260	392,772	390,334	(2)	(2)	(2)	(2)
Debt service	411,313	315,868	293,895	269,810	283,321	254,561	223,288	184,846
Capital outlays	128,424	96,787	70,249	58,801	282,384	306,987	405,440	364,820
Total expenditures	4,792,849	4,686,844	4,292,245	3,855,593	3,547,703	3,269,370	3,147,631	2,837,612
Excess (deficiency) of revenues over expenditures	(219,083)	(207,624)	(97,680)	27,669	(16,082)	(137,518)	(375,848)	(316,887)
Other sources (uses) of financial resources:								
Proceeds from bond issues	253,880	444,335	162,310	120,000	218,145	498,112	501,493	398,558
Operating transfers in	208,341	171,422	166,702	130,081	112,947	57,026	23,804	16,653
Operating transfers out	(322,959)	(308,330)	(292,657)	(258,497)	(170,662)	(158,160)	(170,059)	(152,805)
Net other sources (uses) of financial resources	139,262	307,427	36,355	(8,416)	160,430	396,978	355,238	262,406
Excess (deficiency) of revenues over expenditures and net other sources (uses) of financial resources	(79,821)	99,803	(61,325)	19,253	144,348	259,460	(20,610)	(54,481)
Fund balance, July 1	803,584	693,781	742,106	514,366	370,018	110,558	131,168	185,649
Adjustments	(6,595)[4]			208,487[3]				
Fund balance, July 1, as restated	796,989	693,781	742,106	722,853	370,018	110,558	131,168	185,649
Transfer from Maryland Transportation Authority		10,000	13,000					
Fund balance, June 30	$ 717,168	$ 803,584	$ 693,781	$ 742,106	$ 514,366	$ 370,018	$ 110,558	$ 131,168

Source: General Accounting Division, State Comptroller's Office.

(1) Information is not available prior to 1975.

(2) Intergovernmental expenditures for the years 1975 through 1978 are included in current expenditures and capital outlays.

(3) Certain adjustments were made to fund balances as of July 1, 1978 to present the financial statements for the year ended June 30, 1979 in conformity with generally accepted accounting principles. These adjustments principally consist of adjustments to revenues and expenditures of prior years reported in Budgetary Funds. It is not practical to adjust the financial statements of prior years to reflect these adjustments.

(4) Effective July 1, 1981, the Maryland Higher Education Loan Corporation's activities were recorded in the enterprise funds and its beginning equity was reclassified from the general fund balance to the retained earnings in the enterprise funds.

STATE OF MARYLAND
Schedule of Property Tax Levies and Collections
Last Ten Fiscal Years
(Expressed in Thousands)

Fiscal Year	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections To Tax Levy	Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Tax Levy
1982	$101,418	$97,200	95.84%	$1,888	$99,088	97.70%	$5,668	5.59%
1981	88,873	86,320	97.13	2,114	88,434	99.51	3,338	3.77
1980	82,777	80,668	97.45	2,183	82,851	100.09	2,899	3.50
1979	72,932	70,978	97.32	1,661	72,639	99.60	2,973	4.08
1978	79,935	77,703	97.21	2,404	80,107	100.22	2,680	3.35
1977	72,365	70,525	97.46	1,617	72,142	99.69	2,852	3.94
1976	59,762	57,891	96.87	1,585	59,476	99.52	2,629	4.40
1975	52,432	50,686	96.67	1,392	52,078	99.32	2,343	4.47
1974	50,231	48,650	96.85	1,086	49,736	99.01	1,989	3.96
1973	45,579	44,352	97.31	1,292	45,644	100.14	1,494	3.28

Source: Miscellaneous Revenue Division, State Comptroller's Office.

STATE OF MARYLAND
Schedule of Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Expressed in Thousands)

Fiscal Year	Real Property		Personal Property		Total		Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1982	$ 5,220,079	$74,936,338	$12,544,327	$12,544,327	$47,764,406	$87,480,665	54.6%
1981	32,352,018	68,834,081	11,342,424	11,342,424	43,694,442	80,176,505	54.5
1980	30,912,809	65,771,934	10,290,728	10,290,728	41,203,537	76,062,662	54.2
1979	26,911,027	57,257,504	9,470,369	9,470,369	36,381,396	66,727,873	54.5
1978	25,595,978	51,191,956	9,050,193	9,050,193	34,646,171	60,242,149	57.5
1977	23,222,421	46,444,842	8,170,869	8,170,869	31,393,290	54,615,711	57.5
1976	20,887,037	41,774,074	7,359,135	7,359,135	28,246,172	49,133,209	57.5
1975	18,353,376	36,706,752	6,553,113	6,553,113	24,906,489	43,259,865	57.6
1974	17,745,981	29,576,635	6,129,932	6,129,932	23,875,913	35,706,567	66.9
1973	15,928,604	26,547,673	5,636,955	5,636,955	21,565,559	32,184,628	67.0

Source: *The Twenty-Ninth through the Thirty-Eighth Report of The Department of Assessments and Taxation.*

STATE OF MARYLAND
Schedule of Property Tax Rates—(Per $100 of Assessed Value)
All Overlapping Governments
Last Ten Fiscal Years

	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973
State of Maryland	$ .21	$ .20	$ .20	$ .23	$ .23	$ .23	$ .21	$ .21	$ .21	$ .21
Subdivisions:										
Allegany	2.21	2.22	2.19	2.35	2.42	2.40	2.40	2.40	2.65	2.80
Anne Arundel	2.46	2.23	2.15	2.15	2.42	2.60	2.30	1.81	2.59	3.12
Baltimore County	2.98	2.93	2.93	2.99	3.05	3.11	3.11	3.21	3.29	3.85
Calvert	1.96	2.00	2.00	2.10	2.30	2.55	2.55	2.60	2.70	2.77
Caroline	2.16	2.16	2.16	2.30	2.38	2.15	2.25	2.75	2.90	2.90
Carroll	2.12	2.12	1.93	2.15	2.40	2.50	2.50	2.50	2.56	2.65
Cecil	2.40	2.40	2.30	2.35	2.50	2.50	2.45	2.45	2.50	2.82
Charles	2.17	2.07	2.14	2.14	2.27	2.42	2.42	2.42	3.05	3.10
Dorchester	2.24	2.29	2.34	2.45	2.59	2.69	2.69	2.69	2.84	2.84
Frederick	2.28	2.28	2.11	2.23	2.40	2.40	2.40	2.40	2.40	2.54
Garrett	3.22	3.31	2.37	2.45	2.63	2.73	2.73	2.73	2.73	2.73
Harford	2.55	2.43	2.41	2.44	2.75	2.97	2.90	2.54	2.66	2.82
Howard	2.45	2.23	2.28	2.43	2.63	2.49	2.44	2.25	2.50	2.75
Kent	2.00	2.00	2.00	2.05	2.34	2.44	2.54	2.64	2.74	2.79
Montgomery	2.27	2.34	2.35	2.60	2.73	2.78	2.83	2.53	2.58	2.62
Prince George's	2.60	2.69	3.04	3.31	3.41	3.37	3.37	3.37	3.37	3.57
Queen Anne's	1.94	1.94	1.44	1.44	1.58	1.80	2.10	2.40	2.48	2.48
Somerset	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00	2.20	2.30
St. Mary's	1.99	1.99	2.01	2.15	2.15	2.40	2.55	2.55	2.55	2.30
Talbot	1.42	1.49	1.51	1.69	1.75	1.91	2.00	2.00	2.10	2.25
Washington	2.07	2.19	2.21	2.46	2.50	2.60	2.60	2.50	2.50	2.50
Wicomico	1.78	1.78	1.70	1.60	1.73	1.90	1.90	1.85	1.97	2.15
Worcester	1.59	1.53	1.38	1.60	1.60	1.65	1.75	1.75	1.75	1.90
Baltimore City	5.97	5.93	5.94	5.97	5.99	5.88	6.02	6.09	5.83	5.86

Source: The *Twenty-Ninth through the Thirty-Eighth Report of the Department of Assessments and Taxation.*

STATE OF MARYLAND
Schedule of Ratio of General Long-Term Debt to Assessed Value
and General Long-Term Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	(Expressed in Thousands) Estimated Population [1]	Assessed Value [1]	General Long-Term Debt [2] [3]	General Long-Term Debt per Assessed Value	General Long-Term Debt per Capita
1982	4,263	$47,764,406	$2,952,610	6.18%	$693
1981	4,216	43,694,442	2,943,560	6.74	698
1980	4,193	41,203,537	2,669,365	6.48	637
1979	4,149	36,381,396	2,669,310	7.34	643
1978	4,148	34,696,171	2,684,455	7.74	647
1977	4,139	31,395,290	2,595,449	8.27	627
1976	4,125	28,246,172	2,224,069	7.87	539
1975	4,111	24,906,489	1,835,189	7.37	446
1974	4,100	23,875,913	1,491,737	6.25	364
1973	4,081	21,565,559	1,316,662	6.11	323

[1] Source: *Thirty-Eighth Report of the State Department of Assessments and Taxation*, dated January 1982. Amounts shown are the State's assessable base only.

[2] Source: Miscellaneous Revenue Division, State Comptroller's Office.

[3] Includes all long-term general obligation and transportation bonds.

STATE OF MARYLAND
Schedule of Ratio of Annual Debt Service For General Long-Term Debt to Total General Expenditures
Last Eight Fiscal Years[1]

Fiscal Year	(Expressed in Thousands) Principal	Interest	Total Debt Service	Total General Expenditures[3]	Ratio of Debt Service to General Expenditures
1982	$184,830[2]	$166,483	$351,313	$4,609,165	7.62%
1981	173,015	142,853	315,868	4,573,330	6.91
1980	159,985	133,910	293,895	4,198,951	7.00
1979	133,969	135,841	269,810	3,776,208	7.14
1978	149,739	133,582	283,321	3,323,034	8.53
1977	135,380	119,181	254,561	3,063,517	8.31
1976	119,673	103,615	223,288	2,888,446	7.73
1975	106,568	78,278	184,846	2,608,944	7.09

Source: General Accounting Division, State Comptroller's Office.

[1] Information on a comparative basis is not available prior to 1975.

[2] Excludes $60,000,000 of Bond Anticipation Notes for the Department of Transportation which were refinanced in fiscal year 1982.

[3] Total general governmental expenditures plus net operating transfers less capital outlays.

STATE OF MARYLAND
Schedule of Revenue Bond Coverage
Last Four Fiscal Years
(Expressed in Thousands)

MARYLAND TRANSPORTATION AUTHORITY

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
1982	$65,014	$16,713	$48,301	$905	$7,861	$8,766	5.51
1981	63,797	15,436	48,361	850	7,903	8,753	5.53
1980	60,763	13,597	47,166	795	7,941	8,736	5.40
1979[1]	50,591	11,073	39,518	745	7,975	8,720	4.53

Source: Maryland Transportation Authority.

[1] Presented for the period August 24, 1978 through June 30, 1979, the period since the operations of its transportation facilities were combined.

STATE OF MARYLAND

Schedule of Taxes Pledged to Consolidated Transportation Bonds and Net Revenues as Defined for Purposes of Consolidated Transportation Bonds Coverage Tests

Last Six Fiscal Years

(Expressed in Thousands)[1][2]

	Year ended June 30,					
	1982	1981	1980	1979	1978	1977
Revenues:						
Taxes and fees:						
Taxes pledged to bonds	$245,732	$236,588	$216,428	$227,546	$216,734	$189,864
Other taxes and fees	102,956	105,680	59,926	61,094	59,211	56,801
Total taxes and fees	348,688	342,268	276,354	288,640	275,945	246,665
Operating revenues	96,548	87,912	80,073	67,463	61,368	54,978
Investment income	21,261	10,308	3,616	5,682	7,568	6,245
Other	971	1,046	1,299	796	670	776
Transfer—Maryland Transportation Authority		10,000	13,000			
Total revenues	467,468	451,534	374,342	362,581	345,551	308,664
Administration, operation and maintenance expenditures	280,561	258,906	221,438	192,825	170,235	154,788
Less Federal funds	(30,394)	(35,160)	(16,288)	(24,191)	(11,973)	(20,386)
Total	250,167	223,746	205,150	168,637	158,262	134,402
Net revenues	$217,301	$227,788	$169,192	$193,944	$187,289	$174,262

Source: Office of the Secretary of the Department of Transportation.

[1] Under the terms of the bond authorizing resolutions, additional Consolidated Transportation Bonds may be issued, provided, among other conditions, that (i) total receipts, less administration, operation and maintenance expenditures for the preceding fiscal year equal at least two times maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued and any then outstanding Maryland Port Authority Loans and that (ii) total proceeds from pledged taxes equal at least two times maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued and any then outstanding Maryland Port Authority Loans.

Maximum annual principal and interest requirements on outstanding Consolidated Transportation Bonds and Maryland Port Authority Loans amount to $50,325,000 occurring in the fiscal year ending June 30, 1982. Net revenues at June 30, 1982 were $217,301,000 or 4.32 times maximum principal and interest requirements. Pledged taxes at June 30, 1982 were $245,732,000 or 4.88 times maximum annual principal and interest requirements.

[2] Information is not available prior to 1977.

STATE OF MARYLAND

Schedule of Demographic Statistics

Last Ten Fiscal Years

Fiscal Year	Population[1]	Per Capita Income[1]	School Enrollment[2]	Unemployment Rate[1]
1982	N/A	N/A	925,622	N/A
1981	4,216,000	$11,477	950,548	7.3%
1980	4,193,000	10,399	971,236	6.5
1979	4,149,000	9,323	1,000,435	5.9
1978	4,148,000	8,419	1,028,402	5.6
1977	4,139,000	7,546	1,040,163	6.1
1976	4,125,000	6,981	1,053,859	6.8
1975	4,111,000	6,410	1,049,546	6.9
1974	4,100,000	5,974	1,088,007	4.7
1973	4,081,000	5,465	1,089,742	4.1

Sources:

[1] State "Official Bond Statement."

[2] State Departments of Education and Higher Education.

N/A—Not available at this date.

STATE OF MARYLAND
Schedule of Property Value and Bank Deposits
Last Ten Fiscal Years
(Expressed in Thousands)

Fiscal Year	Bank Deposits[1]	Property Value[2]			
		Commercial	Residential	Agricultural	Non-taxable
1982	N A	$18,742,865	$53,639,482	$2,553,991	$16,868,085
1981	$13,462,000	17,348,890	49,036,259	2,448,932	16,808,511
1980	12,727,000	16,929,467	46,452,163	2,390,304	15,235,589
1979	11,703,000	15,119,637	39,887,306	2,250,561	14,539,843
1978	10,926,000	14,253,287	34,893,405	2,045,264	12,577,964
1977	10,100,000	12,565,388	31,910,960	1,968,494	11,820,176
1976	9,033,000	11,175,924	28,750,184	1,847,966	10,693,722
1975	N A	10,013,071	25,049,068	1,644,613	9,087,102
1974	N A	8,048,017	20,136,299	1,392,319	6,570,403
1973	N A	7,174,261	18,048,335	1,325,077	N A

Sources:
[1] First National Bank of Maryland.
[2] State Department of Assessments and Taxation (fiscal year 1973 unavailable for non-taxable property).

STATE OF MARYLAND
Schedule of Miscellaneous Statistics
June 30, 1982

Date of ratification	1788
Form of government	Legislative - Executive - Judicial
Miles of state highways	5,234
Land area	9,874 square miles
Police protection:	
Number of stations	23
Number of State police	1,572
Higher Education (Universities, Colleges and Community Colleges)	
Number of campuses in the state	32
Number of educators	5,354
Number of students	197,317
Recreation:	
Number of state parks	35
Area of state parks	90,069 acres
Forest	121,000 acres
Employees:	85,365

Source: General Accounting Division, State Comptroller's Office.